No. 32,490

PARIS, MONDAY, AUGUST 10, 1987

ESTABLISHED 1887

# Reagan, While Praising Pact, Vows to Protect Contra Interests

By Scephen Engelberg
New York Times Service

WASHINGTON - President Ronald Reagan has expressed support for the preliminary peace pact reached by five Latin American nations, but he said "there is much work to be done by the parties

In a statement issued by the White House, Mr. Reagan declared that the United States intended to protect the interests of the Nicara-

Leaders of the insurgents, known as contras, have insisted that they take part in any talks. Nicaragua has rejected the idea, and the Central American agreement does not aprovide a role for the contras in cease-fire negotiations.

Jim Wright of Texas, the House Democratic leader who offered a peace proposal earlier in the week with Mr. Reagan's backing, said Sunday that he supported Friday's

"I think it's the Guatemalan plan

said in an interview on an NBC peace process, while making it clear

Sandinists hall the agreemen but warn of obstacles. Page 3.

"From the very beginning," he said, "President Reagan and I both emphasized that it must be a Cen-

Mr. Reagan's statement on Sat-urday noted that the contras wanted to participate in negotiations, but offered no specific proposal for

Nonetheless, Mr. Reagan's statement struck a positive note, declar-ing the hope that the desire for ace expressed in the agreement would eventually become a reality

The president's statement was

# **Chad Recaptures Town** And Libyans Retaliate

NDJAMENA, Chad - Chadian troops recaptured the town of Aozou in weekend fighting after 14 years of occupation by Libya, but Colonel Moammar Gadhafi's air force retaliated within hours Sunday with heavy bombing attacks.

The Chadian ambassador to France, Ahmed Allammi, said in Paris that the bombardments were intense, with the jets hitting Chadian positions at Accou and elsewhere in the Tibesti mountains of northwestern Chad. He gave no. word on casualties.

1.7. IE4

と、対け、間内と著

The second secon

PERSONAL PROPERTY OF THE PROPE

PAGE 15

FOR MORE

CLASSIFIEDS.

. . L: Tailer on the

AT MEN

The same of the same

The Chadian government, in statements read over the radio Saturday night and Sunday, said the battle for Aozou began Saturday morning, when Chadian troops re-pulsed a Libyan attack at the casis town of Bardai, 45 miles (about 70 kilometers) south of Accou.

It said that the Libyans retreate and that the Chadrans follows and consterationed the govern ment said that by Saturday night, Chadian forces had gained control of Aczou, the administrative capital of the Aozou strip, a disputed length of Sahara Desert believed rich in oil and minerals.

Chad, if it can hold the town, would have effective control of the tains an air base in its own territory about 30 miles to the north that

See CHAD, Page 6.

#### Kiosk Israelis Bomb Lebanese Sites

TEL AVIV (Reuters) - Israeli helicopter gunships bombed on Sunday a headquarters of guerrillas connected to the radical pro-Iranian group Hezbollah, or Party of God, in southern Lebanon, an army spokesman said.

He said the bombs hit a building near Tibnin, north of Bint Jbail, that was used by guerrillas as a base from which to attack Israeli troops and militiamen of the Israeli-backed South Lebanon Army.



The Soviet Union's unfavorable trade balance with the U.S. is behind Mr. Gorbachev's new export policy. Page 11.

**CENERAL NEWS** 

A Tamil protest held up the surrender of arms by rebels in Page 2. Sri Lanka. ■ U.S. intelligence officers helped former Nazi collabora-

tors enter Canada after World War II, a historian says. Page 5. Jean-Marie Le Pen, the National Front leader, has taken his message to French beaches to reach voters.

BUSINESS/FINANCE Peru's president said backlash from his bank nationalization plan could threaten his Page 11. government. PERSONAL INVESTING

In California, wine collectors can now be investors -- thanks to the state legislature. Page 7.

news program. "We never had the that the administration has doubts impression that we possessed the about whether Nicaragua will fulalmighty wisdom to dictate in precise terms what arrangements should be made in Central Ameri-

tral American plan."

resolving the issue.

in Central America.

that has to prevail," Mr. Wright intended to show support for the

receiving Soviet aid.

The plan worked out by Mr. Wright and Mr. Resgan urges Nicaragus to set a timetable for elections and relinquish foreign sup-port within 60 days of a cease-fire. President Oscar Arias Sanchez of

fill its promises.

Costa Rica, appearing on the ABC network, expressed confidence Sunday that Nicaragua would accept the agreement, although he noted that "for the first time in history we are asking a Marxist government to democratize, to be-come a phiralistic society in 90

days."
Several Reagan administration officials said that while they were skeptical about Managua's motives in signing the accord, they believed that the administration had no choice but to support the regional peace process in public.

An important reason, they said, was that Mr. Wright had taken the political initiative when he began reshaping an initial peace proposal by the administration in cooperation with other congressional lead-ers and Central American officials.



#### Black South African Mineworkers Begin Strike

Workers leaving the Blyvoornitsig gold mine in Carletonville, South Africa, at the end of their shift. About 200,000 members of the National Union of Mineworkers, along with as many as 100,000 other mineworkers, were expected to join a strike that began Sunday night. Page 2.

#### Mr. Reagan, they said, did not See REAGAN, Page 6

and Dan Morgan

Washington Poet Service
WASHINGTON —A secret element in the first arms-for-hostages transaction with Iran was a U.S.-Israeli counterterrorism operation in September 1985 that was designed to rescue any American hostages in Beirut who were not freed as a result of the arms shipment. according to sources and notes of

only American freed by pro-Iranian extremists in Lebanon after Isracl delivered 508 U.S.-made TOW

U.S.-Israeli team in Beirut could not locate the other hostages. The episode laid the ground-

The Western powers barred a number of Iranian officials from West Berlin. Page 6.

work, however, for covert U.S.-Israeli projects against terrorism. These joint activities were mentioned in the recently concluded The Reverend Benjamin Weir, congressional hearings into the released Sept. 14, 1985, was the Iran arms sales and diversion of profits to the Nicaraguan rebels, but have never been publicly ex-

U.S. Effort in Iran Included a Hostage Rescue Plan ver L North, the council's expert on counterterrorism. The operation was in cooperation with Amiram Nir, special adviser on terrorism

> The U.S. ambassador in Beirut reported on Sept. 4, 1985, that
> "North was handling an operation that would lead to the release of all was not investigated during the seven hostages," according to in- Iran-contra hearings, but it was

for Prime Minister Shimon Peres of

antitank missiles to Iran. The rescue never took place because the had shipped the first 100 TOWs to State George P. Shultz to the speciation of ficials, according to Iran and set the stage for a hostage cial review board on the Iran-con- sources and State Department release, the U.S. National Security tra affair led by former Senator notes. Council staff arranged for the State John G. Tower. The ambassador "alias pass- said he was told that a U.S. team

connect the operation with the director of central intelligence.

port" in the name of "William P. had been deployed to Beirut, acties" were discussed by Robert C. Goode" to Lieutenant Colonel Oli-In its report, the Tower board adviser and Colonel North's boss, cited Mr. Shultz's testimony but at a luncheon with Mr. Shultz, Dedid not reveal anything further fense Secretary Caspar W. Wein-about the operation. Nor did it berger and William J. Casey, then

Mr. McFarlane did not mention the TOW shipment at the luncheon, according to the notes. A source familiar with the notes said See RESCUE, Page 6

# Allies Providing **Quiet Support to** Mission in Gulf, Weinberger Says

WASHINGTON — Defense Secretary Caspar W. Weinberger said Sunday that U.S. allies were quietly supporting the intensified U.S. Navy presence in the Gulf, and he confirmed that new minesweeping efforts had turned up mines.

Mr. Weinberger, appearing on a CBS television program, also denied Iranian allegations that the United States was to blame for rioting July 31 in Mecca, Saudi Arabia, in which more than 400 people died.

In the Gulf, three Kuwaiti tankers and three U.S. Navy escort vessels on a new convoy mission sailed past the point where the tanker Bridgeton hit a mine last month and began the final stretch to Kuwait, ship

ping sources said. The sources said the convoy, which left the Gulf of Oman unexpectedly Saturday, was expected to complete its 550-mile (900-kilometer) journey to Kuwait early Mon-

At sunset the convoy passed west of Farsi island, where Iranian revolutionary guards have a base and where the Bridgeton struck a mine

July 24, the sources said. No incidents were reported as the ships followed the oil tanker Sea Isle City, which is being used as makeshifi minesweeper.

The 81,000-ton Sea Isle City; its sister tanker, the 80,000-ton Ocean City; and the 47,000-ton liquid pe-troleum carrier Gas King were able to travel in shallow waters west of the Farsi channel. The shallow waters are not navigable by the 400,000-ton Bridgeton.

The convoy was the second since the United States began escorting Kuwaiti tankers carrying the U.S. flag last month.

On the television program, Mr. Weinberger said: "Rumors that our allies are not behind us are not correct. These rumors float around all over."

"We are getting a substantial amount of help from our allied friends in the area," he said, al-though he declined to elaborate, saving that would "convey information to an enemy who is not all

Britain, France, Italy, West Ger-many and the Netherlands have turned down in recent days U.S. requests to provide minest or other naval support for the U.S.

The defense secretary denied reports that Kuwait had refused to allow U.S. helicopters to use its

"We're not there to provoke anybody," Mr. Weinberger said of the U.S. escort missions, and he ac-cused the franians of "typical, hysterical foamings of the mouth.

Appearing before Mr. Weinberger on the news program was Said Rajaie-Khorassani, Iran's ambassador to the United Nations. He said that Iran had seeded the Gulf with mines as "a part of our defen-

See CONVOY, Page 6

#### U.S. Ponders Its Responses To Any Raid By Iranians

By Richard Halloran New York Times Service
WASHINGTON — Although

Secretary of State George P. Shultz has asserted that the United States can avoid hostilities in the Gulf, specialists on the region and senior military officers are not so sure. In a news conference Thursday

Mr. Shultz said, "I don't think there is any prospect at all that we will be drawn into a shooting war." The same day, however, the as-

sistant secretary of state for Near Eastern and South Asian affairs, Richard W. Murphy, said tensions were "perhaps higher than they have been for the last few years." "One way that Iran could strike out is through international terror-ism," Mr. Murphy said.

Military officers, echoing the chairman of the Joint Chiefs of Staff, Admiral William J. Crowe Jr., said the American presence in the Gulf was "not risk-free."

The possibilities for combat are varied, as are the chances for success of the U.S. forces in the Gulf. Some missions seem possible but others are more difficult, for tactical, diplomatic and domestic political reasons.

Should Iran openly attack a tanker flying an American flag, a U.S. warship or a U.S. embassy in the region, retaliation could be swift, given the fact that the United States will soon have 24 vessels and 15,000 men in the region.

An air strike could come from the carrier Constellation in the Arabian Sea, just outside the Gulf. It could also be mounted by B-52 bombers flown from Guam and refueled on the island of Diego Garcia, 2,000 miles (3,200 kilometers)

away in the Indian Ocean. Eight warships in the Middle East task force could fire on Irani-See OPTIONS, Page 6

# **Chileans Looking Twice** At Moves to Democracy

By Shirley Christian ed next year, with a single candidate to be nominated by the general, who is head of the army, and the have a dream," a bank chairman three other military commanders. said recently, leaning back in his General Pinocher's plan to nomichair. "It is that democracy returns nate himself is opposed by the othto Chile, that I still have my car and house, my stock is secure and the country takes off in fantastic develors.

expressing in private, and more cautiously in public, a desire for democracy. But they fear the kind of political free-for-all that culminated in 1970 with the election of coalition ticket of Socialists and Communists.

While largely respecting civil lib-erties, the Allende government launched an aggressive campaign the primary concern was that freeof socialist efforts such as nationalizing businesses, stirring wide-spread opposition that led to the 1973 military coup in which Allende was killed.

fears that Chile's fragmented political parties will do no better this time around in a vote expected next year, make it unlikely that business taken by some of their counterparts

In Old London Eric Dickerson broke out of the grasp of

opment - instead of the left bring- The business leaders do not necing back another Allende night- essarily agree with the rightists, mare." The banker's desires and whose parties have the backing of concerns are shared by many Chil-ean businessmen and industrialists. The rightist parties range from two As General Augusto Pinochet, 71, approaches the 14th anniversa-cles for General Pinochet to old-71. approaches the 14th anniversal ry of his coming to power, apparently determined to stay on well into the 1990s, many Chileans are expressing in private, and more stead of a plebiscite.

With the economy rapidly recovering from the recession of 1982-83, most business leaders are preoccupied with increasing their already Salvador Allende as president on a impressive exports and with internal expansion. Ernesto Ayala, president of the Society of Industry and head of Paper & Carton Manufac-

See CHILE, Page 6

# New 'Football'

Vince Newsome of the Denver Broncos to score the first touchdown Sunday for the Los Angeles Rams, who won the American Bowl in London by the score of 28-27. The annual game, between teams of the National Football League in the United States, was played in Wembley Stadium before a crowd of 72,786. Story, Page 17.



# e was killed. Vivid memories of that era, and Vivid memories

By Mary Blume

stance against military government the sidewalks of Paris are rolled up and the town.

elsewhere in Latin America. Most chilean business people neither totally reject General Prochet nor tally immortalized to have the coming season's programming the have the coming season's programming the have the coming se

year, make it unitary that the nobodies have left have 150 important media people in Paris in hop to Paris to be seen at the president of the stance against military government the sidewalks of Paris are rolled up and the town.

TARCES—I the traditional standard anymore but that the nobodies have left have 150 important media people in Paris in hop to Paris to be seen at the president of the stance against military government the sidewalks of Paris are rolled up and the town. iron shutters pulled down. The exodus be- Those who remain are media men and damn sure that their newspapers and pro-

delicious in August. Now the movers and Labro, a quintessential media man who is a way of contrast, Liberation simply shut International Herald Tribune shakers have declared that in August Paris is journalist, novelist, filmmaker and director down in August as if it were a car factory).

PARIS—The tradition is nearly as old as the place. It's not that nobody's in town of news and entertainment for RTL. "If you Philippe Labro was away in July, except for a

For trend-setters the pleasure of Paris in tally reject General Procedures and the completed by the end of the month, while adout the completed by the end of the month the completed by the end of the mont

#### Soviet Is Said To Deploy Rail Missile

By R. Jeffrey Smith

Washington Post Service
WASHINGTON — The Soviet Union is believed to have started deploying the world's first strategic nuclear missile able to be launched from railroad cars, according to

The missile, known in the West as the SSX-24, can be moved on vast portions of the Soviet rail system to elude U.S. monitoring and attack, officials said, potentially complicating future efforts to veri-fy Soviet compliance with arms control treaties. Deployment of the missile on

railroad cars has long been expected by the U.S. intelligence community. Some Reagan administration officials have criticized it as a potentially destabilizing development in the arms race, although independent experts have disagreed.

U.S. officials agreed that the SSX-24 missiles had been moved on rail cars from the factory where they were produced, but they disagreed about whether the missiles had yet become fully operational.

The development of the missile has been praised by some U.S. arms control experts, who argue that both sides benefit by having nuclear forces that are hard to target in a first strike.

U.S. confirmation of the deployment came Friday afternoon in response to a statement on the Senate floor by Senator Jesse Helms, Republican of North Carolina, asserting that Moscow had violated a key provision of the unratified 1979 Strategic Arms Limitation Treaty

by deploying the missiles. U.S. officials said that the White House had distributed a directive suggesting that reporters be told that the Helms assertion was "es-

See ARMS, Page 6

20 22 24

25 26

28 29

# Le Pen Hits the Beaches With Message of French Nationalism



You voted for policies of the right but what you got were policies of the

By Julian Nundy mul Herald Tribune

this Breton fishing port in the early morn-course, immigration. ing. By mid-afternoon, the big top was ready and the refreshment stand was stocked with drinks and snacks.

Verdi's "Nabucco." It is a rousing chorus in which the Jews in Babylon lament their separation from their homeland.

As the chorus rose to its crescendo, lights turned on the entrance of the tent and, to a standing ovation, in marched the star of words. the show: Jean-Marie Le Pen the leader of France's far-right, anti-immigration Na- ly

It was Mr. Le Pen's 14th appearance in what he calls his "beaches tour." a round of political meetings at France's major resorts to catch voters during their summer vaca-

Earlier in the day, girls distributed brightly colored balloons to children, bearing the words "I Love Le Pen," or "Go to it, Jean-Marie." A plane flew overhead dragging a streamer to advertise the meet-

The tour, effectively the first shot in the campaign for the May 1988 presidential election, has had its fair share of mishaps since it began in Ajaccio, Corsica, on July 15. But, in La Trinité-sur-Mer, Mr. Le Pen's home town, it was an unqualified if predictable success.

Mr. Le Pen, \$9, dressed in an open-

occupy him: the hopelessness of the major said. LA TRINITE-SUR-MER. France - A conservative political parties, excessive caravan of seven trailer trucks rolled into taxation. France's falling birth rate and, of said he saw lessons for France in the cur-

The stocky, combative Mr. Le Pen had

that accusations of racism, leveled at him Moslem population of foreign origin that by his political foes and for which he is could destabilize the country in the name quick to sue, were unjust since there was of "a grand revolutionary and religious never any incitement to hatred in his design.

If his own speech that night was careful-National Front's new anthem, sung by Bruno Porcher, a balladeer who has thrown in his lot with Mr. Le Pen.

the French flag, it deals bluntly with those who inoculate us with the blood of barbarity." for whom the solution is "the road to the homeland, with a kick in the ass." That line drew rancous cheers and certain pedigree. laughter from the audience, a convention-

costs of the tour. Mr. Le Pen said that most of those who attended his beachside rallies were, in his assessment, people who traditionally voted for the Gaullist Rally for the Republic or its coalition partner, the Union for French

Democracy.

During the trip to Hoëdic, Mr. Le Pen rent crisis in the Gulf.

"Press articles explain that Saudi Arabia started his day at 8:30 A.M. with a boat and Kuwait are vulnerable because they ocked with drinks and snacks.

trip to visit fishing villages on the rocky have large immigrant populations," he
That evening, a singer entertained a Atlantic islands of Hoëdic and Houat, said. "I'm surprised that no one has drawn

During the trip, he explained his view as in the Gulf, France was at risk from a 10 20 percent. Even 15 percent would be a

France's Moslems, numbering aro 2.5 million, mostly from France's former phrased, this was not so true of the North African colonies, make up the country's second-largest religious group. About 20 are currently under arrest charged in connection with bombings in Paris last

Called "Blue, White, Red," the colors of year attributed to a pro-Iranian group. The keyword in Mr. Le Pen's speeches and in those of his acolytes was "national," a word that is not defined but is clearlyintended to classify French citizens of a

Mr. Le Pen, for example, lamented the al-looking crowd whose average age was around 40. They had paid 30 francs (about fact that France could not put forward a "national" sporting team, made up of "na-tionals," evidently regretting the contribu-tion of sportsmen of immigrant stock.

The French, he said, were "slipping slowly into decadence and disappearance." \$5) to attend, a fee imposed to offset the

Mr. Le Pen is one of four candidates who have already declared that they will run in the election next year. The others are An-

slacks, addressed the usual issues that pre- what you got were policies of the left," he The major parties have yet to declare their

In the parliamentary elections last year the National Front, benefiting from a brief experiment with proportional representation, won 33 seats in the National Assembly with about 10 percent of the nation-

Now, Mr. Le Pen predicts that he will get crowd of more than 2,000 until the music small Breton communities where druids a parallel with Europe."

around 20 percent next spring, although a parallel with Europe. That evening, he told his audience that, some of his aides talk in terms of 15 percent triumph for Mr. Le Pen, who founded the

National Front only 13 years ago. His beaches tour, which ends in the northern port of Dunkirk on Friday, start-

ed shakily. At Cagnes-sur-Mer, on the outskirts of Nice, the big top was destroyed by fire -its cause has not been established -- and

my's, for good when a cocktail party was held for Mr. Le Pen in another establishment in the complex in which it is housed. She had said earlier that the National Front leader would get into the Elysee Palace more easily than into my clubs."

In Lourdes, during an inland stop, Mr. don to Rome with promises of sex.

Le Pen was taken to task publicly by a He was then kidnapped by other Roman Catholic priest for his policies. He Israeli agents, drugged and shapped recovered the situation by quipping: "I talk to Israel, the newspaper said." The to God, not to his intermediaries.

allegations sound like the basis for

In several towns, the National Front was refused permission to pitch its tent under local regulations designed to keep nomads out. These rules are considered racist by emocracy. dre Lajoinie, of the French Communist France's main human rights groups be"You voted for policies of the right but Party, and two extreme-left candidates. cause they are usually applied to Gypsies.

#### WORLD BRIEFS

#### Bonn Fears New Guerrilla Attacks

BONN (Reuters) — The urban green has group Red Army Faction has regrouped and is planning a fresh wave of attacks, a West German counterintelligence chief warned Sanday.

Gerhard Boeden, president of the Federal Office for the Protection of the Constitution, told the Cologne Expense that the generalise had reorganized following a string of greens in persons years.

The Red Army Faction has personned, using and reasons again in like it did at the time of the Schlever Edmanning. Mr. Booten said an interview released ahead of publication. In 1971, the group Edmanning Hanns-Martin Schleyer, head of the West German employers asset tion. His body was later found in a care.

#### Israel Denies Abducting Spy Suspec

Aguino Lists Anti-Crime Measures

MANILA (WP) - President Corzeon C. Aquino, under pressure to curb lawlessness after a series of unsolved political murders, announced Sunday that the unitary would adopt "sweeping measures" including intensified searches and new efforts to check the growth in illegal

Flowever, Mrs. Aquino rejected calls that she suspend some basic rights

of criminal suspects or adopt other martial law measures. She said the new measures would be taken "with all due respect to the guarantees of the constitution" and without turning the Philippines into "a garrison

There will be no constitutional shortcuts to public safety," Mrs.

Acquino said. "We shall protect our people's cherished rights and liberties by methods that will honor and not diminish them, even if they help the guilty escape as often as they protect the immocent."

Shultz Aide to Lobby Shamir on Talks

JERUSALEM (Reuters) — A senior side to Secretary of State George P. Shultz of the United States has arrived in Israel to try to persuade Prime Minister Yitzhak Shamir to accept an international Middle East peace conference, U.S. officials said Sunday.

Charles Hill, the executive assistant to Mr. Shultz, arrived on Saturday for talks with Mr. Shamir and Foreign Minister Shimon Peres, who are divided over the issue. Israeli and U.S. officials said.

Mr. Shamir views the proposal for a conference under UN sponsorship

as a Soviet-inspired scheme to force the return of Arab land captured by Israel in the 1967 Middle East war.

South Korean Workers Demonstrate

and conditions demonstrated in four South Korean cities on Sunday is industry officials warned that 200 companies laced closure occause of

SEOUL (Renters) - The police said workers demanding better pay

About 20,000 workers, who were also demanding the right to form free

JERUSALEM (AP) - A government official rejected a newspa-per's allegations Sunday that Moshad to be replaced.

At Saint-Tropez, Régine, the nightchib declar Vannus, a former funcion owner, closed down her club, New Jim. of leaking nuclear secrets, was abducted by Israeli agents to stand

The Sunday Times of London reported that a female istacli at had lured Mr. Vanunu from Losa mevic script," said a Foreign Ministry spokesman, Eluid Gol.

Mr. Vanuoro, 32 is accused of revealing details of Israeli nuclear development to the newspaper and has been held since October de charges of treason and espionage At one time he flashed a message to reporters indicating that he had been kidnapped in Rome.



#### **Black Miners Launch** Strike in South Africa

CARLETONVILLE, South Africa - The National Union of Mineworkers launched a strike in South African gold mines on Sunday night, and a union spokesman said eight miners were detained in the first minutes of the walkout.

There was no immediate information on how many miners responded to the union's call for a strike by 200,000 members at 28 gold mines and 18 collieries.

First shifts were due to go underground at 9 P.M. By 8:30 P.M., there was no movement in the elevators at mines around Carletonville, about 40 miles (65 kilometers) southwest of Johannesburg. The mines, which include East Driefontein, West Driesontein, Libanon, Klool and Blyvooruitsig, appeared

Howard Gabriels, a spokesman for the 320,000-member mineworkers union, said three men were held without charge at Vaal Reefs and five at the Buffelsfontein

The strike started in the face of a government threat to clamp down on militant labor unions.

ing industry, which accounts for 70 pressure.

Cyril Ramaphosa, secretary-genworkers at mines that do not recognize the union as the official repre-

#### Cape Town Editor Critical of Press Laws Is Dismissed

The Associated Press

CAPE TOWN - Times Media Ltd., one of the major newspaper chains in South Africa, has dismissed Anthony Heard as editor of Cape Times without explanation.

Mr. Heard, 49, was with the Cape Times, the country's oldest at the American Embassy, reprenewspaper, with a circulation of about 50,000, for 30 years and served as editor for 16 years. He crusaded vigorously at home and abroad against government press been identified or apprehended.

Times Media Ltd. made up mention of Mr. Heard's future and gave no reason for the dismissal, saying only that he had enjoyed a distinguished career and "after 16 years as editor it was felt that the time had come for a successor to be appointed.

Mr. Heard declined to be interviewed about the dismissal, announced late Friday. He will be succeeded by Koos Viviers, now editor-in-chief of Eastern Province

Newspapers. Under Mr. Heard's leadership, the Cape Times often tested press restrictions, imposed under President P.W. Botha's emergency decree in June 1986. He encouraged his reporters to challenge government versions of civil unrest and

join the strike.

The 750,000-member Congress of South African Trade Unions, the largest labor federation in the country, said in a statement Saturday that workers in other sectors would strike if employers sought to break the miners' strike with vio-

The strike was called after wage talks broke down last month between the mineworkers union and the nongovernmental Chamber of Mines, which represents mine own-

The chamber offered and utilaterally implemented increases of 17 percent to 23 percent, which increased the average black wage to 506 rand (\$250) a month. The union is holding out for a 30-percent increase and other benefits. including additional leave and dan-

Johan Liebenberg, the negotia-tor for the Chamber of Mines, said he expected the strike to last two to five days, and warned that employers might begin mass dismissals if it continued beyond that.

He said that employers had the right to dismiss strikers for breach The stoppage could seriously of contract, and added that mine disrupt the \$50-million-a-day min- owners would not buckle to strike

The minister of mannower and public works, Pieter T.C. du Ples- security forces. sis, said Friday that the governeral of the mineworkers union, said ment was preparing legislation to he expected as many as 100,000 curb the power of fast-growing anti-government unions.

> A black union member and antiapartheid activist who was bludgeoned to death last month was buried Saturday under the flag of the outlawed African National Congress, in defiance of regulations under a state of emergency decree issued 15 months ago. The New York Times reported Saturday from Mdantsane, South Afri-

> More than 2,500 people attended the funeral service for Eric M. Mutonga in Mdantsane, in the black tribal homeland of Ciskei. Stephen D. Mull, a political officer sented the United States at the funeral and appeared to be the only

> > SPIRITUAL SEEKERS!

HEED ME WELL! NEXT

SUNDAY IS THE HARMON-

NUL SUP OUT OF ITS TIME

a o

diplomatic representative present. Mr. Mntonga's killers have not

DOONESBURY



A Tamil prisoner, right, about to be freed in southern Sri Lanka, embracing a comrade not yet released.

# Tamil Protest Delays Surrender of Arms

surrender of arms by Tamil mili. der several truckloads of acapons, et reports said varying numbers of tants hit a snag Sunday as Tamils in although this was considered large heavy weapons were given up. northern and eastern Sri Lanka ly symbolic. held a general strike to protest what they said were torture killings

Meanwhile, thousands of Tamil refugees, some hauling all of their possessions, were reported Sunday to be returning to their homes in the north, which has been a rebel stronghold.

Sri Lanka and India signed a peace agreement July 29 in an effort to end four years of ethnic strife in Sri Lanka. The capitulation of the Tamils, who had been

accord, an initial group of 291 Tamil political prisoners was re-leased Samiday, More were expect-ed to be freed Monday.

A senior Sri Lankan official said Sunday that the 6,000-man Indian force policing the peace part had extended until Aug. 18 the deadline for Tamils to surrender their arms. The deadline has been extended several times since Aug. 3.

The official, who asked that he not be identified, said 286 weapons

COLOMBO, Sri Lanka - The began Wednesday with the surren-eight heavy artillery weapons. Oth- Northern Provincestrike virtually shut down the re-

The surrendering of arms was gion. In an annesty under the peace stalled for at least a day because of

Liberation Tigers of Tamil Eclam day that Tamil rebels there had not and the allied Eclam Revolutionary yet given up their weapons. Students Organization, called a the adjacent Eastern Province, their area south of Jaffna, where where Tamils also make up a large the rebels have predominated. part of the population.

Sam Thambimuttu, president of The two main rebel groups, the the Citizens Committee, said Sun-

Residents of the north-central general strike Sunday in the Tamil- city of Vavuniya said Sunday that dominated Northern Province and no arms had been surrendered in

The peace accord is intended to The strike was to protest the regrant semi-autonomy to the Tamported killing of two rebels Tues- ils, who make up about 18 percent

thor of a widely used series of text-

books on English, died of cancer July 29 at his home in St. Croix in

the Virgin Islands, He was 80. Mr. Warriner was the author of

"Warriner's English Grammar and

Composition" series, textbooks for grades 6 through 12 that were published by Harcourt Brace Jovano-

Koch Leaves Hospital

The Associated Press

smile and a thumbs-up sign, Mayor Edward I. Koch of New

York was released from the hos-

pital Sunday after treatment for a minor stroke he suffered

"What you see here before

you is a 28-year-old brain in a 62-year-old body." he said as he

left the Columbia-Presbyterian

Medical Center. Robert Barrett, one of his neurologists, pronounced him "in excellent shape" after an examination

Thursday.

NEW YORK - Giving a

'In Excellent Shape'

vich beginning in 1946.

day by security forces on Mannar, of Sri Lanka's 16.3 million people.

#### trade unions, staged sit-ins at about 80 companies in Pusan, Ulsan; Labor Minister Lee Hours Ki said Saturday that the growing unrest

could endanger South Korea's still-fragile process of political reform.

Afghan Rebels Say 55 Died in Attack ISLAMABAD, Pakistan (Reuters) - Thirty-five Alghan guerrillas were killed and 20 wounded in a recent ambush near the frontier with Pakistan, a rebel spokesman said Sunday. He said 20 Afghan troops were

also killed. No independent confirmation was available. The spokesman for Hezb-i-Islami (Khalis), one of seven Pakistan-based groups fighting the Soviet-backed Kabul government, said Afghan government troops surrounded a guerrilla band Tuesday when they tried to cat communications between two army posts in the Urgun district of

The Afgi an government's Bakhtar News Agency reported Friday that border forces had seized 19 rocket launchers, 82 light weapons, 35 grenades and a radio in an encounter with guerrillas in the Urgun district.

#### but it gave no casualty figures.

#### Eleven were hanged. Mr. Loebi and two deputy foreign ministers were sentenced to life imprisonon. Mr. Loebl was released in 1963. France Lists New Conditions for Visa

TRAVEL UPDATE

PARIS (Reuters) — Many foreigners who wish to visit France for less than three months will have to prove that they have enough money for their trip, the Interior Ministry has announced.

When applying for short-term entry visas, they will have to produce return train or plane tickets, proof of their address while in France and bank references, according to the decree published Saturday in the Journal officiel de la Republique française. The measure will not apply to visitors from European Community countries or from non-EC neighbors such as Switzerland and Austria, the journal said.

Interior Minister Charles Pasqua said that the requirement "will be as extra way of fighting illegal immigration." France started issuing visas for some non-EC nationals planning holidays of up to three months in France in September 1986, after a wave of bomb attacks in Paris in which 13 persons were killed.

#### Delta Air Lines Crew Is Reprimanded

ATLANTA (UPI) - Delta Air Lines has taken "administrative action against the crew of a Delta jet that came within 100 feet (30 meters) of a Continental Airlines plane in one of a series of incidents

involving Delta last month, a company spokesman said.

The Delta L-1011 was en rome July 3 from London to Cincinnati with 164 passengers when it strayed 60 miles (100 kilometers) off course near Newfoundland and searly collided with the Continental jet. The same Delta plane later steered into the airspace of a British Airways jet. The company did not reveal the nature of the action taken against the crew. which had said there were problems with the plane's navigational comp

On Friday, the Federal Aviation Administration withdrew the cap tain's permit of a Delta pilot who mistakenly shut down the engines of his Boeing 767 jet over the Pacific shortly after takeoff, sending the CTS. plunging to within 600 feet of the water before the engines were restained.

An agency spokesman said the pilot would be permitted to retain by commercial license, which entities him to serve as a co-pilot.

#### This Week's Holidays

Banking hours and government services will be closed or contained in the following countries and their dependencies this week because of

national and religious holidays: MONDAY: Ecuador, Nicaragua, Singapore TUESDAY: Ched; Jordan, Zimhabese

WEDNESDAY: Thalland, Zimbabase.

THURSDAY: Central African Republic Congo, Tunisia. FRIDAY: Congo, France, Italy, Ivory Const, Madigaster, Morrocci, Pale

SATURDAY: Andorra Austria, Belginia, Cameroon, Central African 1979.

ic. Chile, Congo, Costa Rica, France, Greece, Ominea, Hait, India, India, 1979.

Coast, Lebanou, Liechtenstein, Lustenbourg, Marao, Madagaten, Main, Mondo, Papua New Guinea, Paraguay, Portugal, Rwanda, San Marine, Senegal, Switches, South Korez, Spain, Valican City, Venezaefa.

# Eugen Loebl, Ex-Prague Trade Official, Dies at 80

NEW YORK - Eugen Loebl, former first deputy minister for foreign trade for Czechoslovakia and the last survivor of a Stalinist purge known as the Slansky Trial, died of heart failure Saturday. He

Mr. Loebl, who emigrated to the United States in 1968 after the So-

YOUR HIGHER SELVES MUST GATH-

ER AT THE NEAREST SACRED PLACE TO RESONATE HARMONICALLY IN

ANTICIPATION OF THE COMING NEW AGE!

became a well-known economic and political theorist. He wrote 10 books, including "Humanomics and his autobiography, "My Mind on Trial," both published in 1976.

theory of humanistic economics,

Elements of "Humanomics," a have been incorporated into the platforms of political parties in West Germany, France and India

and used by the Vatican in address-including Rudolf Slaasky, the for-

ing the problems of developing mer party leader, win were forced countries. Mr. Loebi was an economic ad- onage in the Slansky Trial. viser to Jan Masaryk, minister of foreign affairs of the Czechoslovak exile government during World War II. In 1948 he became first

deputy minister of foreign trade. 1952 became one of 14 top officials,

He was arrested in 1949 and in

ment. After serving 11 years in pris-John Warriner, 80, Author Of Textbooks on English NEW YORK (NYT) - John Warriner, a retired teacher and au-



# INTERNATIONAL POSITIONS

IC CONVERGENCE!

BE THERE!

		iob positions published nternational Positions.
TITLE	SALARY	EMPLOYER
MATERIALS MANAGER	Good	A worldwide under in electrical elec- tronic industry.
FINANCIAL CONTROLLER & TREASURER	Int. Salary	ICARDA.
PUBLIC RELATIONS MANAGER (Europe)	Excellent	Digital Equipment Corporation.
CIVIL CONSTRUCTION ENGINEER		Garrett Fleming.
INVESTMENT MANAGER		Int. Fund Investment.

If you haven't seen lost week's INTERNATIONAL POSITIONS rubric. please ask for a free copy: Max Ferrero, INTERNATIONAL HERALD TRIBUNE, 92521 Neurilly Codex, France.

Tel: (1) 46.37.93.81. Telex: 613595

The most famous night-club in the world. 8 p.m. dinner dance, champagne and show F 495.

10.15 p.m. and 0.30 a.m., champagne and show F 340. Service Included. 116 bis, Champs-Elysées, Paris-Telex 641433 F Tel.: (19-1) 45.63.11.61 and agencies.

#### UNIVERSITY DEGREE SACHELORS . MASTER'S . DOCTORATE

Sunday morning.

For Work Academic, Life Experien Send detailed resume for tree evaluation.

PACIFIC WESTERN UNIVERSITY 600 N. Sepulveda Bivd. Las Angeles, California .9049, Dept. 23. U.S.A.



One of a series of messages from leading companies of the world appearing during the IHT's anniversary year.

# BASF 1986

# Another successful year

REFS

rilla Attacks

ne Vicasures

hamir on Take

ं - व्यक्तिक - - - व्यक्तिक

The results of

- la monstrate

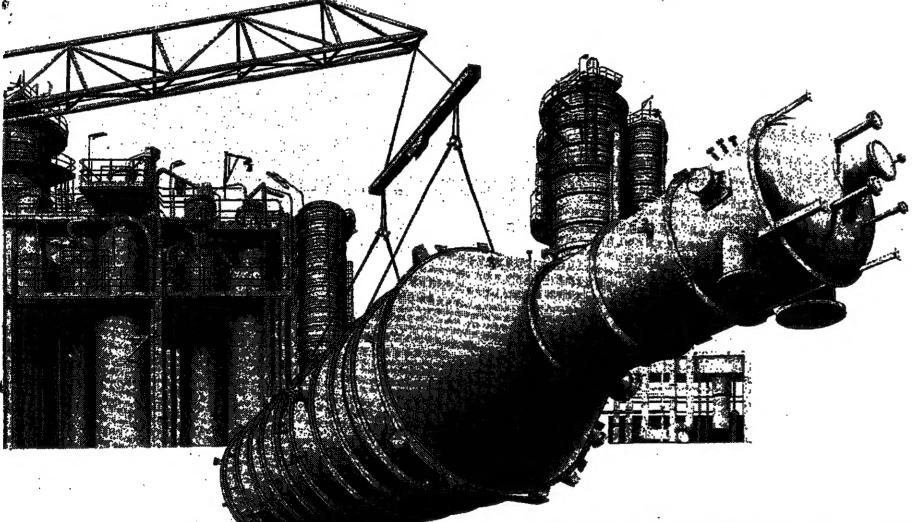
. Il, primandet

BASF, a major international chemical company renowned for its trail-blazing scientific and technological achievements, is proud to announce its Financial Results.

For BASF Group, 1986 proved successful as another year of strong financial reinforcement; new venture integration; increased sales volume; and continued, far sighted commitment to research, development and capital expenditure programmes.

The decline in Net Sales was due wholly to extraordinary international factors, and the drop in profits was almost exactly equal to the down-valuing of our oil and gas inventories.

		<b>DM Million 1986</b>	<b>DM Million 1985</b>	% Chang
BASF Group	Net Sales	40,471	44,377	- 8.8
	After-Tax Profit	910	998	- 8.8
	Capital Expenditure	2,657	2,456*	+ 8.
0.0	Employees	131,468	130,173	+ 1.
BASFAG	Net Sales	18,717	20,461	- 8,
A	After-Tax Profit	710	646	+ 9.
•	Capital Expenditure	1,142	884	+29.
	Dividend	535	496	+ 7.



# Intensified research and development

The Research Expenditure budget of over DM 1.7 Billion, considerably up on 1985, reflects the Group's belief that the long-term view is paramount.

Its general thrust can be gauged from the fact that net sales of higher value-added products account for nearly 60% of total turnover.

Highlights were the development of methacrylic acid and methyl methacrylate monomers; the inclusion of polyether ketones in our range of high performance engineering plastics; the new optically active phytohormone herbicides (Duplosan grades) which contribute further to environmentally compatible crop protection; and developments in advanced composite materials, such as the carbon fibres used in the Beechcraft Starship 1.

# Increased capital expenditure

Our Capital Expenditure programme amounted to a very significant DM 2.7 Billion.

Among its most notable achievements was the doubling of acrylic production capacity, via the opening of a second plant in Freeport USA.

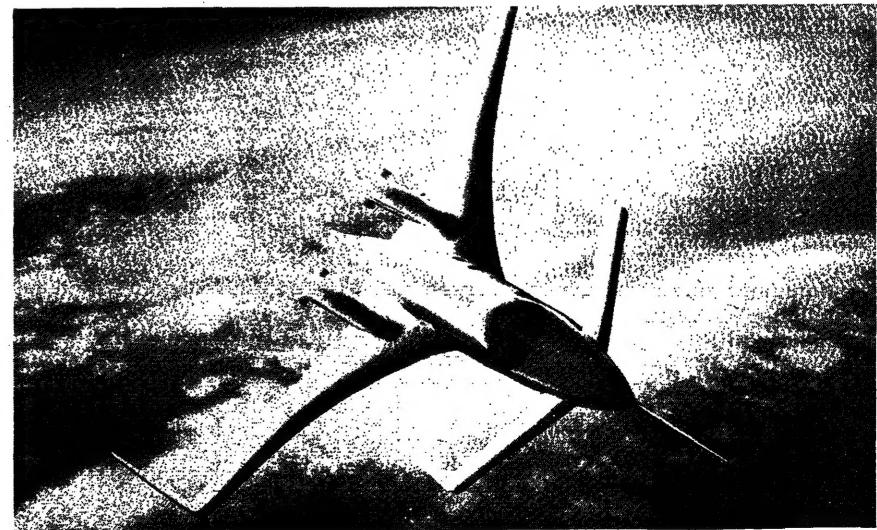
Yet further capacity will come on stream in 1988 when the new Ludwigshafen plant is opened.

# Commitment to growth

Above all, underlying BASF Group's 1986 Results is a single minded commitment to growth.

The Group's philosophy is based on the long term view; the conservative valuation of assets; and the need for a continuing high rate of return from all operations.

Its overall viewpoint is strongly international – 60% of Group Sales now come from outside Germany.



Beechcraft Starship 1.

**BASF** 

## Will the Spirits Come?

depends far less on discovering the proper outcome than on bringing it about Until the spirits to make tough political decisions are awakened, until the stars have been aligned into a well mapped constellation, all is maneuver or pretense. Consider Nica-ragua, the Persian Gulf and the Soviet-

American missile pact for Eurasia.

The dispute in Nicaragua is not mainly between the Sandinist regime and the contras, but between Managua and Washington. The Reagan team says it is prepared for talks with the Sandinists after a cease-fire. Not good enough. Only direct talks without

preconditions can possibly work. Other pieces have to move into place as well. Managua has to accept some form of contact with the contras. Other Central American countries helped by agreeing on Friday at their meeting in Guatemala to a regional plan involving a cease-fire and democratization. But the key is what Washington and Managua do next.

In the Gulf, the essence of present problems is Iran and not the Soviet Union, as the White House claims. The West and the Gulf states will have to put aside long-term worries about Moscow, and their own quarrels,

Resolving most international conflicts in order to counter the fanatics in Tehran. Iranian leaders must be chuckling with delight at Kuwait's reluctance to permit its minesweepers to help U.S. convoys protect Kuwaiti shipping. The ayatollahs surely feel similar glee over the hesitations in London and Paris, although Secretary of State George Shultz now reports that these allies are coming around. Iran's power blossoms in these fears and divisions. Nothing less than a phalanx of opposition has a chance of bringing Tehran to its senses.

Soviet leaders also have to understand that the United States cannot possibly forsake West Germany to have a medium-and short-range missile ban in Europe and Asia. Yet they persist in insisting that 72 aging West German missiles with nuclear warheads owned and controlled by the United States be destroyed. The obvious, only answer is to allow these missiles to wither away, and sign the treaty.

These posturings recall the exchange in Shakespeare's "Heary IV, Part I." Glendower boasts: "I can call spirits from the vasty deep." And Hotspur responds: "Why, so can I, or so can any man; but will they come when you do call for them?" - THE NEW YORK TIMES.

#### Not Just a Hot Summer

July was detestably hot in Washington, with the Fahrenheit temperature in the 90s more days than in any month as far back as records go. August, so far, is no great im-provement. The world's climate is changing.

The planet's temperature has swung up and down many times over the centuries. Previously the reasons were natural, chiefly the changes in the sun's radiation. But the warming trend that has been running for the past century coincides with the maturing of the industrial revolution and the accumulation of carbon dioxide in the atmosphere. Norman J. Rosenberg of Resources for the Future, a research organization in Washington, points out that the warmest three years on record have all occurred in the 1980s. The global mean temperature is now half a centigrade degree higher than in the 1880s quite enough to produce a perceptible change in climate — and there is some rea-

son to think that the trend is accelerating. Carbon dioxide traps the heat which the Earth absorbs from the sun. That is the way a greenhouse works - or, to take a more unpleasantly familiar example, what happens to your car when it has been left in the sun with the windows closed. The car's glass is transparent to energy at the high frequencies at which the sun delivers it, but the glass is not transparent to the lower frequencies at which it is re-radiated by the warm interior of the car, it just keeps reflecting the heat back into the car. (That is also why the trunk of the car, with no windows, is not as hot as

the passenger compartment.) The Earth's atmosphere acts in that respect like glass.

As the carbon dioxide content grows, the atmosphere becomes less transparent to the

re-radiation that the warm planet would otherwise throw off into space. Other gases also tend to interfere with the normal loss of heat through the atmosphere — chlorofluorocar-bons, ozone, methane and carbon tetrachloride, among others. But at present the most important and intractable is carbon dioxide, for it is produced by the combustion of fuel.

Previous studies of this subject have usualv either counseled wait-and-see or declared hat nothing can be done. In response, Irving M. Mintzer of the World Resources Institute makes three points. First, waiting is dangerous because climatic change is, for all practi-cal purposes, irreversible. Second, some further heating is inevitable. Third, the extent of the heating depends very much on the way the world generates and uses energy. If everyone continues on the present track, he calculates, by the year 2030 the global temperature might rise by 1 to 3 centigrade legrees to a range well beyond any in previous historical experience. With greater attention to energy conservation and greater reliance on solar energy, Mr. Mintzer believes, the increase could be held to half as much. The changing climate is inevitably going to affect agriculture, water resources and life in general. But the speed and cost of the change are still subject to a degree of human control.

#### **At Its Cynical Worst**

term extension of the Treasury's borrowing authority, to keep the government in funds short-term extension rather than a longartificial crisis to galvanize them when they come back. What they hope to force themskill, which is in evading them. The jaws

regularly snap shut, and nothing happens. The problem continues to be the budget deficit. The president who created it blocks the tax increase that even many Republicans regard as the solution. The government has been stripped of the resources to do its job; a recession would expose it even further. But the president appears to be determined to push the necessary task of reconstruction off on his successor. The Gramm-Rudman revivfail to hit declining deficit targets -- is ostensihave been working not to sharpen but to soften the terms of the process for the rest of

Congress has punctually disappeared on Mr. Reagan's term. Their goal is not to put its August vacation, the only deadline it has him on the book but to let him off. The met all year. The legislators' last act on Gramm-Rudman revival has thus become a leaving town was to pass yet another short- tacit weakening of the already temperate budget resolution that the Democrats adopted in June. The deficit reduction goals would be while they are at the beach. They chose a reduced. With them the pressure for a tax increase would decline, but all, of course, term extension so they would have another under the pennant of fiscal responsibility. You have here politics at its cynical worst.

— THE WASHINGTON POST.

selves to do then is create an even greater summer traffic jam. The budget resolution is crisis by reviving the Gramm-Rudman pro-cess. But their fake skill in setting these cause these are now being refought, almost traps never quite catches up with their real no progress has been made on the implementing legislation. The new fiscal year will begin three weeks after Congress returns. The House has passed a majority of the standard appropriations bills, but the Senate has passed none. Neither house has acted on a reconciliation bill to adjust those parts of the government not subject to the appropriations process. The tax bill has been put off until there is agreement whether there should even be one. The defense bill has also been held up, because of a dispute over al — automatic budget cuts if he and Congress — arms control. On some issues — the savings and loan institutions, trade, catastrophic bly meant to make him choose between a tax health insurance - progress has continued increase and his defense buildup. But Senate to be made. But thus far it has not been a Republicans, in the gaps between stirring year of which anyone involved can be par-speeches on the need to reduce the deficit, ticularly proud. They should think about - THE WASHINGTON POST

#### Other Comment

American foreign policy is one or the mysteries of the age. All over the United States there are university departments of anon offered no targets for American retaliinternational affairs, where professors are ation, while suicide attacks in the Gulf will well paid to ponder about America's place bring down the full power of retaliatory in the world. Several excellent journals on international affairs are not only published but widely read. Congress has its numberless committees, staffed by intelligent young men and women. On the face of it, all seems set for wise decisions, soberly arrived at: the very Platonic ideal of a foreign

policy. Yet the result is a dog's breakfast. Take the present activities of the Reagan administration in the Gulf. That they are that had got itself into a tight corner and more than usually muddled and imprudent is evidenced by the fact that [Prime Minis-

One of the Mysteries of the Age ter Margaret] Thatcher will have nothing to do with them. To alienate Mrs. Thatcher has hitherto proved beyond the capabilities of the administration. The bombers in Lebstrikes on Iranian targets. By rippling its muscles in the Gulf, the United States will invite either derision if it does not respond or escalation to a major conflict if it does. There is now talk, more wishful than real, of an international effort under United Nations auspices to clear the Gulf of mines. It would not be the first time that the United Nations has been used to rescue a power

needed a dignified means of retreat. - The Observer (London).

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER
Co-Chalmes

LEE W. HUEBNER, Publisher

JOHN VINOCUR Executive Editor • WALTER WELLS, New Editor • SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT J. DONAHUE, Editor of the Editoral Pages

RENÉ BONDY, Desury Publisher e ALAIN LECCUR and RICHARD H. MORGAN, Associate Publishers e FRANÇOIS DESMAISONS, Circulation Director e ROLF D. KRANEPUHL, Adventurg Soles Director International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Nexilly-sur-Seine, France.

International Merain Informs, 101 Avenue Change Change, 92200 Nearly-Sur-Seine, France. Tel. (1) 46.37.93.00. Teles: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698. Directeur de la publication; Walter N. Thayer,

Directeur de la publication; Watter N. Thayer.

Editor for Asia: Michael Richardson, 5 Camerbury Rd., Singapore 0511. Tel. 472-7768. Th: RS56928

Managing Dir. Asia: Malcohn Glem. 50 Glovester Road, Hong Kang, Tel. 5-8610616. Telex: 61170

Managing Dir. U.K.: Robin MacKichan, 63 Long Acre, London W.C.I. Tel. 836-892. Telex: 26:009

Managing Dir. U.K.: Robin MacKichan, 63 Long Acre, London W.C.I. Tel. 836-892. Telex: 26:009

Gen. Mgr. W. Germany: W. Lausethoch, Friedriches: 15, 600 Frinkfurt M. Tel. (1697) Telex: 27:175

Pres. U.S.: Michael Cortog, 830 Third Ave., New York, N.Y. 1002. Tel. (212) 752-3800. Telex: 47:175

Pres. U.S.: Michael Cortog, 830 Third Ave., New York, N.Y. 1002. Tel. (212) 752-3800. Telex: 47:175

S.A. pa: capital de 1.200.000 F. RCS Nanterre B 73:2021126. Commission Paritaire No. 61:337

6 1987, International Herald Tribune. All rights reserved. ISSN: 0294-8052.



#### **OPINION**

# The Arab Side Should Be Fighting to Win

W ASHINGTON — In the long Arab-Persian war in the Gulf begun by Arab Iraq's aggression, the Persians have been fighting to win while the Arabs have been fighting to settle.

If those strategies continue, the Persians in Tebran will triumph and the United States will have involved itself on the losing side.

For the Persians to win - that is, to depose Irag's dictator and to achieve fundamentalist religious dominance throughout the Arab world — Iran must be certain to maintain the oil income that equips its armies and feeds its people

That means, first, transporting its oil by tankers through the Gulf with some guarantee that the cargoes will not be destroyed by Arab planes.

Second, the victory strategy demands that the price of that Iranian oil be maintained at a level igh enough to support Iran's military machine. Taken together, high-priced oil transported safely will buy Persians the guns and missiles needed to back up their will to win.

How are the Arabs and their American allies

combating this strategy? Very curiously.

The United States, after one of its warships was attacked by an Arab bomber, has rushed to protect Arab shipping in the Gulf. It fails to grasp that the main threat to shipping comes from Iraq, which must reduce the outflow of Persian oil, and it disregards the first rule: "Free navigation" bene-

fits the Persians far more than the Arabs.

But in reflagging Arab tankers and using U.S. warships to protect them, the United States is also telling the Iraqis to stop attacking Iranian shipping. The high-minded U.S. strategy seems to be to bring cease-fire to Gulf waters, with each

side's tankers proceeding unmolested.

That is exactly what the Persians want. That is why an Iranian mission has been dispatched to Kuwait to offer a deal: Get Arab Iraq to stop its effective bombing of our tankers, say the Persians, and we will stop our ineffective efforts to interdict your shipping. The Iranians would thus get what they need — unmolested transport of their oil. The United States would have intervened on the side of the Arabs but, in the name of free navigation, would be aiding the Persians.

Therefore the result of the American interven-

tion is likely to help the Persians win, which is not the stated goal. Washington has been suckered by the nervous Kuwaitis into a no-win strategy that undermines the Iraqis and protects the oil delivery of their common Iranian enemy. What about the second pillar of Persian eco-nomic power? The price of oil is a key to Tehran's

ald be as severe a blow as sinking half the tankers transporting Iranian oil. The Saudis know this. A couple of years ago, to starve the Persians into submission, they

victory plan. If the price of oil were to be halved,

By William Safire

agreed with their Arab brethren to raise production and thereby reduce world oil prices. That' was Sheikh Ahmed Zaki Yamani's finest hour in the price manipulation business; oil prices col-

lapsed to less than \$10 a barrel. The Saudis, who could "lift" oil at a cost of half dollar a barrel, lost little on the increased production: the Iranians, who produce at six times hat cost, lost two-thirds of their oil revenue.

That was when the Iranian oil minister paid a visit to King Fahd in Riyadh. Reduce production to raise prices or else, was the message; Iran was prepared to stimulate an uprising of Shiite fol-lowers of Ayatollah Khomeini within King

Fahd's sparsely populated kingdom.

The nervous Saudis caved in Sheikh Yamani was fired, production was cut and the price of oil has risen to more than \$20 a barrel.

Here we are today. The Persians, to drive home to the Saudis the reality of their threat, have just

instructions to martyr themselves in stampedes. The Saudis suppressed the demonstrators and, more significantly, responded by demanding that errant Syria declare its solidarity with the Arabs. But - and here is the central difference be-

infiltrated thousands of demonstrators armed with

bombs into the most holy places of Islam, with

tween Persian and Arab core attitudes in this war - the Sandis have not even threatened to raise production and cut the price. They are still hoping to settle, not using their economic power to help Iraq fight to win. King Fahd has taken the roots on his soil as a Khomeim threst, requiring rhetorical anger and behind-the-scenes amelioration, and

not as a provocation calling for real retaliation.

While the United States is in effect helping Iran move its oil safely, the Saudis are helping Iran keep its prices high. So the Persians are able to buy nearly a billion dollars a year worth of arms from China to equip legions of would-be martyrs.

Until Arabs decide to fight to win, the purpose-

ful Persians will not be stopped.

The New York Times.

#### A Second Italian Policy Is in Reserve

By Enrico Jacchia

R OME — Would a multinational naval force be the right answer to Iran's mining of the Gulf? The idea is making the rounds in Rome. Two quite different policies are suggested. Foreign Minister Giulio Andreotti wants to avoid direct Italian military involvement in the Iran-Iraq war and maintains that only the United

Nations might intervene, by setting up a multi-national force for minesweeping. At his urging, the cabinet announced that position on Friday.

Past experience with the United Nations is not

encouraging, but Mr. Andreotti's proposal has the immediate political goal of offsetting the negative reactions provoked at home and in the United States by rejection of Washington's request for

cooperation in minesweeping in the Gulf.
Former Prime Minister Bettino Craxi has put
the other policy line bluntly, saying that "the oil
supply from the Gulf is vital for Europe" and it is "therefore a political responsibility of the Europe-ans to make sure that the oil flow is not stopped."

An integrated minesweeping flotilla sailing up the Gulf under a European Community flag is surely a mirage. But it would be different if several European countries, necessarily in coordination, sent minesweepers to the international waters of the region. If the operation were confined to clearing mines, it would have a solid precedent.

From August to October 1984, ships of the U.S., French, British and Italian navies were sent to the

Canal and the Gulf of Aden by a still unidentified country or group. The four countries had been asked to do so by the Egyptian government, which coordinated the activities of each naval group from Cairo on a bilateral basis. The naval commanders retained their autonomy and received their orders from their national authorities.

The situation in the Gulf is more complicated because of the war between Iraq and Iran. A

because of the war between fraq and fran. A multinational force operating there would certainly be considered hostile by Tehran — and by Moscow, if the Soviet navy were not included.

Still, it is imperative for Europe to keep oil supplies flowing. This is acknowledged in Italy and the other EC countries, despite the refusal of Washington's European allies to honor requests for minesymening support in the Gulf.

for minesweeping support in the Gulf.

If the situation deteriorates and, as may be expected, the United Nations does not act quickly, several European countries will be forced to take a direct responsibility in the Gulf and participate at least in clearing mines from international waters. This would require some form of cooperation, and the successful 1984 Red Sea operation, it is widely believed in Rome, is a good model.

Optimists in the Italian capital expect that nothing will have to be decided before Caspar Weinberger, the U.S. secretary of defense, visits Italy in mid-September. The reluctance to face the Gulf problem is partially explained by the feeling that the threat posed by Iran is not principally military but is one of political subversion.

It is widely thought, too, based on past experience with radical Arab states, notably Libya, that Iran's retaliation against an Italian naval presence in the Gulf would likely result in blood being spilled on Italian streets.

This being the prevailing feeling, nobody should be surprised by the Communist attitude, which is adament: Hands off the Gulf region. The small lay parties — Republicans, Social Democrats and Liberals — have criticized the government for its refusal to send minesweepers to the Gulf; they would all back an eventual European initiative. For now, the Christian Democrats back Mr. Andreotti's line of total reliance on the United Nations, but they would certainly not oppose a Euro-

If nothing dramatic happens before Mr. Wein berger's visit; Mr. Craxi's position is likely to gain broad public support in Italy, since the European option would satisfy almost everyone. Many ad-mit, however, that the difficulties in applying the European option are considerable.

International Herald Tribune.

Hindu-Moslem Tension Mounts as Gandhi Zigzags N EW DELHI —As he begins his third year in power, Prime Min-ister Rajiv Gandhi is a harried man. Trouble after trouble has visited his government in the last six months.

Recently in Parliament he again denied that he or his family had received any kickbacks in a \$1.3 billion gun deal that the government concluded last year with Bofors, a Swedish company. All opposition parties, important members of the ruling Congress (I) Party and a large section of the press and public think that the deal is shady. For the first time, public propriety has become a dominant issue in the world's largest but none-too-clean democracy.

While enjoying unaccustomed success with the agreement between In-dia and Sri Lanka designed to settle

the bitter war between Tamils and Sinhalese, Mr. Gandhi is elsewhere confronted by mounting problems. Violence in Punjab is on the rise.

cessive exposure to the sun. Something else that Mr. Reagan

should loudly proclaim is, "Protect the ozone layer." The message could be vital to cementing an inter-

national agreement to stop ozone

depletion, which threatens to vastly increase already high levels of skin

cancers - some of which, unlike

The stratosphere's ozone layer.

the first line of defense against the

sun's ultraviolet rays, is beginning to thin because of industrial gases.

Sun screens and protective cloth-

ing are important weapons in com-

bating rising rates of skin cancer. But Interior Secretary Donald Ho-del took this notion to an extreme

two months ago when he recom-

mended their use in lieu of regula-

tions to protect the ozone layer.

The suggestion, akin to issuing gas

masks to mitigate air pollution,

met with appropriate derision. But

the administration has never re-

Scientists have known for more

than a decade that industrial chemi-

nounced Mr. Hodel's logic.

Mr. Reagan's, will be fatal.

killed three other Hindus, and two

Sikhs were shot dead. The killings raised to 615 the number of deaths in Punjab related to ethnic violence. What could tear apart the little social peace that remains in India is the fervent revival of old antagonisms between the two largest religious com-munities, Hindus and Moslems.

Their antagonisms are centuries old. Past clashes were sporadic, spontaneous and of short duration. Now they are bloodier, well planned and more destructive, and they last for months. Parts of Delhi have been under police curiew for more than two months.

The northern city of Meerut, which saw the first war of Indian independeace in the 19th century, this April witnessed a bloody riot, with 23 per-sons killed. Violence soon spread to Delhi and other cities, in the last 18 Suspected Sikh terrorists killed five months, 60 major and minor instances
Hindus in the Sikh holy city of Amritof Hindu-Moslem violence have oc-

cesses are readily available - or

could be, with a nudge from govern-

ments. But international negotia-

mrished until an ozone hole was

chlorofluorocarbons as the likely

culprit, about two dozen countries

have moved rapidly toward an ac-

cord that would sharply reduce pro-

duction during the next decade. In

fact, negotiators moved to the brink

of agreement at a bargaining session in Geneva last April, before Mr. Hodel entered the fray.

A final protocol is due to be

signed at a meeting next month in Montreal. With critical details still

undecided, the delicate consensus

The president's public leadership,

sharpened by his personal medical

history, could be vital in clinching

Mr. Oppenheimer is a scientist, and Mr. Dudek an economist, with the Environmental Defense Fund, a non-

the deal to save the ozone layer.

could easily evaporate.

With recent findings pointing at

tions to solve the problem

discovered over Antarctica.

Reagan's Nose Could Change

The Whole Face of the World

By Michael Oppenheimer and Daniel J. Dudek

N EW YORK — After a third layer. They are widely used in refrig-

Dout with skin cancer, President Reagan's nose, as he noted, is a "billboard" warning against ex-

cals called chlorofluorocarbons are profit organization. They contributed

slowly eating away at the ozone this comment to The New York Times.

By Bharat Wariavwalla sar late last month; Sikh gammen also curred in the largest state of the union, Uttar Pradesh, killing more than 200 people and leaving more than 1,000 injured; hundreds of thousands have

been left homeless and jobless. The canker of communal violence has spread to the countryside. In May, armed clashes between Hindus and Moslems happened in places that had never experienced such things before. Violence broke out between the members of the two communities in some villages of the western state of Maharashtra. The issue was water.

But it could be anything — the potential for rural violence is high. Immediate causes are trivial: A scrap over rickshaw fare, a salacious gesture by a man of one community toward the girl of another, or plain rumor, Anything can touch off a major clash these days. Fear and hate grip many. Volatile Hindu-Moslem relations need sensitive and dexterous handling. The government has shown neither. In

the last year, on many issues, Mr. Gandhi has faltered; zigzags have characterized his policy. Gone are the purpose and direction he gave the country in his first year in power.

A policy reversal on the Moslem

issue last year has cost him dearly. By exacting a piece of legislation called the Moslem women bill, he lost the support of progressive and liberal-minded Moslems plus the Hindus. The bill legally binds Moslem women to seek justice on matters of marriage, divorce and alimony only within the cannons of Moslem religious laws. A Moslem woman who wishes to seek redress under the more just Indian civil code, patterned after the Anglo-Saxon code, is now legally barred from doing so. Democratic India denies a Moslem woman the freedom to choose a legal system she prefers. Initially Mr. Gandhi was clearly for

giving such a choice to Moslem women, but he retreated under pressure from Moslem zealots. Hindus in the large Hindi-speaking areas of north and central India are as angry as liber-al Moslems. They think the government is too soft on the Moslems. Asked a Hindu leader, "Does any country give so many privileges to a minority as we do to the Moslems?"

Electoral arithmetic would demand that Mr. Gandhi and his party come to terms with the new religious assertiveness in the Hindi belt. Hindu support is why Congress remains in power. But the party may be in decline, even in the Hindi belt; last month it had a crushing defeat in the state of Haryana.

Appealing to the Hindu voter along eligious lines is always difficult. The Indian state is built on the principle of secularism. The word is a misnomer, for the state is not opposed to religion,

as is the Soviet state. Here it simply means separation of politics from religion. The Congress Party since the days of Mahatma Gandhi and Pandit Nehru has made secularism the corperstone of the constitution.

Hostility to Pakistan, however, has great electoral appeal. Pakistan is an ideal surrogate for Hindu bostility toward Moslems. Indira Gandhi understood this. Before her assassination in 1984, she skillfully exploited Hindu-Moslem tensions by focusing outside, presenting Pakistan as the arch foe, out to undo Indian unity. No doubt she had good reasons to be fearful of the Pakistani military regime, but her exaggeration of the threat was partly a

policy of wooing the Hindus. Her son seems to have reverted to his mother's policy. Rajiv Gandhi began by extending a hand of friendship to Pakistan and Sri Lanka. Without sacrificing security interests, he was prepared to explore ways of cooperating with Pakistan. The movement toward peace was abandoned in mid-1986, partly because of Pakistan's intransigence on the nuclear issue. Pa-kistan is determined to be a nuclear power, and perhaps so is India.

But the policy of living in peace with its neighbors was also given up for domestic reasons. When things are bad at home, Pakistan-baiting is always useful. That is what Mr. Gandhi did at a recent public rally, sounding as crusty as his mother.

The writer is a senior fellow at the Center for the Study of Developing Soci-eties in New Delhi. He contributed this comment to the Los Angeles Times.

veillance as you leave your hotel, and sidle up within a few blocks to ask discreetly if you want to change dol-lars on the black market. But even in this more relaxed atmosphere, relentless official propaganda about the iniquity of the American MIC (military-industrial complex) and an obsession with seThey Think

The Systems Are Alike

By Jim Hoagland

MOSCOW — Noticing a guide-book in English tucked under a

stranger's arm, a balding, bearded

gian town, not Russian town. Good,

good. Very different here," says this

teacher, chatting as amiably as would

an Italian in Rome who wanted to practice his English by making small talk about his country and mine.

But a few steps farther along Rusta-

veli Avenue, the teacher suddenly falls silent and remembers a previous ap-

pointment across town when I ask him

to translate the writing on three post-ers in display cases facing onto the avenue. They show cartoon drawings of fierce Afghan tribesmen, daggers between their teeth and dollars stuffed into their turbens. Ettling innocent Co-

into their turbans, killing innocent ci-vilians. Porcine U.S. Army officers

and bankers devour gold coins as

American citizens starve.

What do Soviet citizens really knowled and think about Americans? In the

sunbaked and dusty streets of Tbilisi.

where Europe ends and the Middle

East and Asia begin, answering that question remains as problematical as it does elsewhere in the Soviet Union.

A chance encounter with an Eng-

lish-speaking teacher probably oc-curs by chance rather than by sinister

design. Georgian teen-agers, rather than the KGB, keep you under sur-

Georgian stops on the street and breaks into English. "American?"
Tomist? You have come to see Georgian

creey can shut down human contact and attempts at understanding quickly. The teacher's aversion to describing posters hanging on what I later discovered to be a military office building is only one reflection of that. There are other signs that the much touted new openness of Soviet society has done little to change the way in the which Soviets view American society. One of the clearest for me is a certain

been brought to light under the Iran-contra heading in Washington. To the extent that it can be successfully decoded and put down in synop-sis form, the true Soviet reaction to Iran-contra affair seems to me to run

stubborn refusal to be surprised by

any of the unsavory acts that have

something like this: Surprised? Not at all. This is what we have been told all along. Of course there were secret plats hatched in the Situa-tion Room of the White House that were the real policy, while Congress put on a big show about being the voice of the people and the source of laws. We know all about making showcases of parlia-ments and constitutions, while the dirty work gets done somewhere else.

And we have had our own experiences with show trials, or what you call congressional hearings, when somebody other than the leader has to take the blame. You have a particular American twist, with the instant rehabilitation of the purged officials by television audiand lots of party congresses, but we know how impatient you Americans are. So let us not waste time with talk about the self-correcting mechanisms of the American system, which turns out to

be pretty much like ours. The self-interest in such commentary by Soviets would be palpable. But Lieutenant Colonel Oliver North and Rear Admiral John Poindexter did all they could, in word and deed, to confirm the stereotypes of Americans that Russians and others hold. This will be among the most lasting contributions

of the Iran-contra gang.

That was brought home to me on the airplane from Tbilisi back to Moscow not by anything said by a Russian but by something written by Edward L. Rowny, the retired general who is special adviser on arms control to President Reagan and Sec-retary of State George Shultz, in an article that he published in the spring issue of The Washington Quarterly.

. I had put the article aside to read in conjunction with arms control interviews I had scheduled in Moscow, But with the final stages of the congressio-nal hearings and the Russian refusal to be surprised by them very much on my mind, I found these remarks by General Rowny to define; inadvertently, the great damage wrought by North & Co. abroad: "Our open society ensures that our programs are consistent with their stated intentions. This is in contrast to the U.S.S.R. ... "

The Russians, reading about the

colonel shipping arms to the ayatol-lahs with Mr. Reagan's express consent, say they are not so sure, General. The Washington Post.

e 517

#### IN OUR PAGES, 75 AND 50 YEARS AGO

1912: New York Reacts 1937: Fear in Shanghai NEW YORK — [The New York Herald says:] To our friends in other cities who are pointing their fingers at the Hung Jao military airfield [on Manhattan Island and saying, "O Manhattan Island and saying, "O Lord, how thankful we are that we are not as New York," we would say, watch New York clean house and take a lesson. We would say this even in the face of the fact that quite as a

matter of ordinary occurrence, within a few hours after Police Lieutenant Becker was locked up without bail, there was a fatal shooting affray in the "card room" of a well-known restaurant one block off Broadway. Only one man was killed and only two were scriously injured, but the card game was seriously interrupted. Indeed, law enforcement matters have begun to move. The Mayor has summoned his typewriter and rein the "Tale of Two Cities."

The state of the s

of another bombing raid by the Japa-nese such as that which was carried out in reprisal for a similar incident in 1932 when thousands of Chinese were slain. More than 60,000 panicstricken Chinese already have evacuated their homes. Large numbers are pouring into the international settlement, while thousands can be seen cowering in the streets frequented by Europeans. According to Chinese sources, Japanese officers escorted by marines, all of them wearing civilian clothing, tried to force an entrance into the airfield in automobiles. When summoned to stop, the Japanese fired. The Japanese version says that Chinese soldiers fired on a sumed pegging away letters with all says that Chinese soldiers fired on a the industry of Dickens' shoemaker and his chauffeur as the latter was driving into the airfield.



he System
Are Alike ii: Jim Hoagland

1.20

44 32

-

- 171 <del>2</del>

- 1 - 14 7 F

1212 32

1.32 107

8-12-22

----

1000

100

100 ت ندم. ادر م

٠...:

100

122

# Sandinists Hail Accord But Warn of Obstacles; **Opposition Is Cautious**

By Stephen Kinzer New York Times Service

MANAGUA - The Sandinist important obstacles remain.

The agreement stipulates an end to the state of emergency in Nicaragua. For five years, the Sandinist government has used emergency-rule to prohibit major political demonstrations and restrict civil

Alejandro Bendana, an official with the Nicaraguan Foreign Ministry, appearing on an ABC News program, said Sunday: "It's a complex package and many of its details need to be worked out, but what we are underscoring is the will to arrive at peace through negotia-tions and what we need now is the United States' concurrence, befighting in Central America. That means the U.S. must halt in turn its war against Nicaragua."

He said there was nothing in the Guatemala plan "that says we have to sit down and talk with the con-

"The contras are a creature a creation of the Untied States," he added. "The Central Americans recognize this; when will Washington recognize this?"

The Guatemala accord says that "complete freedom for television. radio and press should exist," and that all countries in the region should decree amnesties and embark on "an authentic democratic piuralist process.

In a nationally broadcast speech Saturday, President Daniel Ortega Saavedra indicated that there would be no immediate political

Until now, the Sandinists have maintained that questions such as press and political freedom were internal matters that could not be covered by any international agree-

The other main aspect of the accord, the prohibition of outside aid to insurgents in Central America, prompted guarded hope in Nic-aragua that the civil conflict that has devastated the country since 1982 might be ended.

"We have entered another phase in the struggle for peace." the official Sandinist newspaper Barricada said in an editorial.

The newspaper said that the basis of the Guatemala agreement. was recognition of "dialogue and weaknesses of the system," he said. negotiation as the only way to reduce differences, the only course for civilized nations."

Aboard the airliner that carried him back to Managua, Mr. Ortega described the agreement as "a first

tral America," he said. "We cannot yet have great expectations."

. He added, "We hope the United government has described the ac- States government will act rationalcord signed Friday by five Central ly for the first time, that it will American leaders as a historic step respect this agreement of Central toward peace but has warned that American leaders and leave us in

The clandestine September 15 radio on Saturday broadcast reactions to the accord from leaders of the U.S.-backed insurgents, known as contras.

They expressed doubt that the Sandinists would comply with clauses requiring democratization

Alfonso Robelo Callejas, a for-mer member of the Sandinist junta, said that Nicaraguans had "an experience of betrayal" at the hands We are familiar with the Marx-

ist-Leninists," Mr. Robelo said.
Another contra leader, Adolfo Calero, said that he was willing to work for peace in Nicaragua as long as Sandinist authorities committed themselves to "a peace with



President Daniel Ortega Saavedra of Nicaragua, left, confering with President José Napoleón Duarte of El Salvador before signing a regional peace accord in Guatemala City.

# U.S. Intelligence Suffers Setback Abroad

New York Times Service
WASHINGTON — Revelations in the fran-contra hearings, including details of amateurism and bungling have shaken the confidence of foreign officials in U.S. secret operations, government officials say. They add that the disclosures have prompted the intelligence services of some friendly nations to share less information with the United States.

Although members of the Irancontra investigating committees and Reagan administration officials insist that no classified information was disclosed during the hearings, they acknowledge that the continuing exposure of the government's inner workings carried some costs.

William S. Cohen, Republican of Maine and a member of the Senate fran-contra committee, acknowledged that the detailed picture of ineptitude produced by the hear-ings would concern foreign officials and intelligence officers.

"There have been costs and emharrassments from exposing the "But it's been necessary. Once you put things back on an even keel, those countries will regain confidence because we have confidence in ourselves.

Several witnesser at the hearings

great, transcendent and historic said during public testimony that step." We still have major steps to sales to Iran and the secret support take before there is peace in Cenfor the Nicaraguan rebels, known

national security.

Lieutenant Colonel Oliver L.

North, among others, contended that the hearings had "revealed matters of great secrecy in the operation of our government, and sources and methods of intelligence activity have clearly been revealed

Members of the House and Sen-

from some countries said they were startled when former U.S. officials openly admitted that the United States, as of six months ago, had virtually no useful intelligence on

Although most testimony dealt with intelligence activities by mem-bers of the National Security Council, some operations of the

There have been costs and embarrassments from exposing the weaknesses of the system. But it's been necessary.'

- Senator William S. Cohen

ate committees, including some Central Intelligence Agency were conservative Republicans, dis-

'No intelligence information was compromised," said Representative Thomas S. Foley, Democrat of Washington,

vices "could learn more from read- in San José, the capital. ing Henry Kissinger's memoirs."
The hearings received mostly approving reviews from the foreign press, with most praising the strength of the American democracy in being able to conduct such a public inquiry, according to a State official said. Department summary of world-

disclosed as well.

The hearings have had several effects. One official said, for example, that intelligence officers in Costa Rica became less cooperative with their American counterparts An administration official con- after watching television coverage tended that hostile intelligence ser- of the hearings received by satellite

This official suggested that the Costa Ricans might be afraid their secrets could be publicized in some future public hearing in the United States. "Virtually every source we had in the country dried up," the

official said counterterrorism offi-

But in Washington, diplomats cials in several European intelli-rom some countries said they were gence services had told him they tartled when former U.S. officials had been struck by the ineptitude of the Iran and contra covert oper-

> Although countries like Saudi Arabia were irritated when their support - officials expect them to

American intelligence gathering, occupation,"
particularly by the CIA.

As a result

hoped to avoid repeating the expe-which American intelligence offirience of the mid-1970s, when several illegal and unsavory operations involving assassinations and to the true background of prospecmanipulation of governments were The years after those inquiries

were marked by low morale and bureaucratic timidity at the CIA and other intelligence agencies. Senator Daniel K. Inouye, chairman of the Senate Iran-contra

committee, said that the panel had decided against public testimony by Robert M. Gates, deputy director of intelligence, in part to avoid embarrassing the CIA. crimes were common. For example, Mr. Inouve said,

Mr. Gates would have been forced to acknowledge that although he was No. 2 at the agency, William J. Casey, the director of central intel-ligence, had kept him largely in the Europe knowingly employed and A former American intelligence dark about the Iran and contra

# Nazi Associates Enter Canada

By John F. Burns

Ver York Tomes Serrae TORONTO - A study for a Canadian government commission says that people who would have been considered "undesirable Nazi collaborators" were admitted to Canada as immigrants after World War II because of incomplete and misleading information supplied

by U.S. intelligence officers.

The study, by Alti Rodal, a historian living in Ottawa, was compiled for the Deschenes Commission. The commission compiled an official report on war criminals in Canada that the government published

The Rodal study, based on secret documents and extensive interviews with officials, influenced the commission's recommendation that immediate action be taken against 20 alleged Nazi war criminals living in Canada and that 218 other immigrants be subjected to lurther investigation.

The government introduced legislation, still pending, to allow for war crimes trials in Canada. But it ignored the commission's recommendation that the Rodal study be published, and it released the report only last week, heavily censored, after The Toronto Star petitioned for the document under Canada's Access to Information

The study says that government inquiries in recent years have showed that in the early 1950s U.S. intelligence officials pushed "eastern Europeans with false identities through the immigration stream to

At the time, according to the support of the contras became pub-study. William Kelly, a Royal Ca-lic — after they had denied giving nadian Mounted Police officer screening immigration applications continue aiding covert action of in Germany, became suspicious mutual interest. about U.S. intentions when he no-Leaders of the Iran-contra com- ticed a number of applications "all mittees said that one of their main neatly typed and emanating from goals had been to avoid damaging an address in the American zone of

As a result, the Rodal study con-Several panel members said they tends, there were instances in cers withheld information from and misled Canadian authorities as tive immigrants to Canada, persons who would have been inadmissible on grounds of 'moral turpitude, the category for undesirable Nazi

> Elsewhere in the study, Miss Rodal concludes that "significant numbers" of war criminals were among the 620,000 immigrants who came to Canada in the two decades after World War II from 12 European countries where war

The study's conclusions appear to tally with the U.S. Justice Department's disclosure in 1983 that protected former Nazis, including

convicted in a French court of Laurent and Pierre Elliott Trudeau. crimes against humanity.

Study Says U.S. Aides Helped

it possible for them to leave Europe Pope Pius XII. and settle elsewhere, notably in South America.

headlines here, her study also con-vakia. tained much that was embarrassing to the Canadian government.

She asserted that two alleged Nazi war criminals were admitted to Canada in 1983 because a German-born senior officer of the Mounted Police, along with other officers described by the study as having sympathies that "inclined them towards leniency with regard to former Nazis," destroyed documents relating to the immigrants' Nazi pasts. As released, the study offers no

information about the identities or whereabouts of the alleged collaborators who entered Canada with the assistance of U.S. intelligence officers or of the two men who entered in 1983. The government, in censoring

the document, said that it was doing so to protect individuals and ensure fair trials if any of them were brought to court.

Some of the censorship involved passages dealing with two former cation on the ground of cabinet prime ministers, the late Louis St. secrecy.

Mr. St. Laurent is depicted as The U.S. investigation showed having agreed to the resettlement in that American officials had assist- Canada in 1949 of a Nazi collaboed some of the former Nazis in rator from Czechoslovakia, Karol acquiring new identities that made Sidor, after a direct appeal from

Mr. Sidor, previously commander in chief of the Hlinka Guard, a Although it was Miss Rodal's Slovakian storm trooper unit, had Ilegations about the role of U.S. been reassigned to the Vatican as intelligence agencies that made the delegate of Nazi-occupied Slo-

The study quotes a letter from the Apostolic delegate in Canada telling the Canadian authorities that he "cannot settle down anywhere in Europe without undergoing serious inconveniences and vex-

Mr. St. Laurent, who retired in 1957, was also depicted as having been "personally involved" in communicating with purported Nazi war collaborators from Vichy France who settled in Ouebec after having been convicted in absentia in French courts,

Mr. Trudeau is described in the study as having opposed action against purported war criminals when the matter was put before the cabinet in the early 1980s.

Three pages of the study dealing with his attitude and with instances in which he opposed measures proposed by other members of his government were deleted before publi-

## U.S. States It May Close PLO Washington Office

Washington Past Service
WASHINGTON - After months of internal debate, the Reagan administration has said for the first time that it is considering closing down the Palestine Liberation Organization's office in Washing-

According to State Department officials, recent PLO actions, such as keeping Mohammed Abu Abbas, mastermind of the Achille Lauro hijacking in 1985, on its executive board, contributed to the decision on the politically sensitive

The PLO's Washington office and its office at the United Nations are the target of legislation by members of Congress who argue that they are symbols of terrorism. Other members counter that shutting the office would violate U.S. cepts of freedom of speech and harm U.S. efforts to arrange peace talks between Israel and a Jordan-Palestinian delegation.

Secretary of State George P. Shultz wrote sponsors of the legislation that the administration op-Klaus Barbie, who was recently poses the bill because it would vio-

late the president's powers in foreign policy. But he added that the administration is considering closing the PLO's Washington office, the Palestine Information Office, on its own.

"Closure of the PIO as a 'foreign entity," allowed up to now to operate by the U.S. government, would of course represent a symbolic shift in the U.S. government's relation-ship to the office, underscoring our disapproval of the PLO's retention of Abu Abbas on the Executive Committee," Mr. Shultz wrote in a July 31 letter to Senator Charles E. Grassley, Republican of Iowa, and Representative Jack Kemp, Republican of New York, sponsors of

the legislation. Such a gain may be sufficient to warrant Executive Branch action in this regard at the appropriate time," Mr. Shultz added.

His pronouncement followed months of internal discussions by State and Justice Department lawyers on the legal authority for such

One State Department official said that the U.S. authorities were "shocked" by the PLO's decision at a recent conference in Algiers to put Mr. Abbas back on its executive board. The United States has sought his extradition on hijacking and murder charges since the hijacking of the Achille Lauro cruise ship in October 1985, which resulted in the murder of an elderly American.

The Shultz letter noted that closing the PLO observer mission at the United Nations would violate a U.S. treaty obligation and would lead to a probable defeat at the World Court and "a propaganda gain" for

SHE HAS THE STRAIT DOWN COLD - Lynne

The Californian set out from the U.S. island of Little Cox, 30, swimming ahead of two escort boats on her way to crossing the Bering Strait, which separates Alaska and the Soviet Union. Despite spending about two hours in degree-centigrade waters, Ms. Cox, inset, was all smiles spokesman for the U.S. Coast Guard said that a person

Friday after reaching the Soviet island of Big Diomede. would normally survive only 30 minutes in the icy water.

# Pretoria Says It Will Negotiate on Namibia

By John D. Battersby New York Times Service

CAPE TOWN - The South African government, having reopened security talks with Mozambique after a two-year lapse, now appears ready to negotiate with Angola and Cuba on withdrawing Cuban troops from Angola and an independence settlement in South African-ruled South-West Africa.

Neil P. van Heerden, the direc-Foreign Affairs, said that South would allow the Angolan govern-Africa would talk to any party in-volved in the issue of independence

Mr. van Heerden took part in for South-West Africa, or Namibia.

sola and the South-West Africa People's Organization, or SWAPO. the guerrilla organization that has been fighting for independence for

ministerial talks last week with Mo-He said that included Cuba, Anzambicans that led to a revival of a nonaggression pact agreed upon in

President José Eduardo dos San-

Mr. van Heerden took part in by South Africa and receive \$15

tos of Angola said in late July that

Brazil Boosts Angolan Oil Imports raised concern over oil supplies Africa," said Mr. Van Dunem bethem "a waste of time." But Mr. Dos Santos has since extended an offer to Pretoria of four-way talks

> African country that has accepted Cuban military involvement in its Pretoria and Angola.

Mr. Van Dunem signed an agreehealth technicians to go to Angola, ward Pretoria.

But he said he doubted whether he was prepared to be more flexible tor-general of the Department of Soviet commitments in Angola over the partial withdrawal of an estimated 35,000 Cuban troops in his country in return for indepen-dence of South-West Africa, the withdrawal of South African troops from Angola and an end to U.S. aid to anti-government rebels. The Angolan rebels are backed

> States and South Africa have linked any progress toward Namibian independence to the withdraw-al of Cuban troops from Angola. Talks between the U.S. assistant secretary of state for African affairs, Chester A. Crocker, and Mr. Dos Santos ended abruptly last month, with Mr. Crocker calling

> million a year in military aid from

the United States, Both the United

He said that despite U.S. sanctions and corporate disinvestment in South Africa, he did not believe there had been a fundamental ment for Brazilian teachers and change in Washington's policy to-

## **Mail-In Testing Kits for AIDS Draw** Criticism From U.S. Health Officials

By Lori B. Miller

New York Times Service NEW YORK - Several U.S. companies plan to offer mail-in testing kits for the AIDS virus, stirring concern among public health officials and drawing criticism from many doctors and others who

work with AIDS patients. The companies promoting them say they will reach a segment of the population that would otherwise population that would otherwise awaiting approval from the Food not get tested: people who refuse to 20 to a physician or to a public testing site because of the stigma associated with AIDS, or acquired immune deficiency syndrome.

But many health experts question the accuracy of the mail-in tests. And they say it is dangerous to notify users of the kits about positive test results without offerng them personal counseling about

"Right now, there is nothing more devastating than finding out your AIDS test might be positive," said Dr. Robert E. McAfee, a trustce of the American Medical Association and a surgeon in Portland. Maine, "Finding out over the telephone does not meet the compassionate, sensitive, psychological needs of a patient." Most of the kits require an indi-

idual to prepare a blood sample at

home and send it to a laboratory been made very clear: We have for evaluation. Those using the kits always stressed that testing should would identify themselves by num- not be done without pre- and postber and would receive their test test counseling, and this is a posiresults either in the mail or over the tion of every public health author-

telephone. The kits, costing \$24.95 to \$50, would be sold in pharmacies and medical clinics as well as by mail-

At least three companies are

at-home blood-sampling kits. One test-kit company that is already operating. National AIDS Testing Hotline Inc. in Fort Lauderdale. Florida, requires customers to have blood drawn at a professional laboratory. They then send it to the company for private notification of results.

The FDA said it was studying whether the company's procedures were subject to federal approval. Some officials say they suspect that other companies have been offering similar services without fed-

Robert Komescher, project offi-cer at the Centers for Disease Control in Atlanta for the AIDS Na-tional Hot Line, said federal health officials took a dim view of mail-in

eral approval.

AIDS testing kits. He said:
"Our position on testing has THERE'S ONLY ONE GIN FOR THE WELL-INFORMED.

# Pentagon Clears Japan Firms

New York Times Service

Department in an unusual move. has said its officials had no knowl- Pentagon's export control office, edge of high-technology diversions quoted Mr. Bryen as alluding to the involving the NEC Corp., Mitsubishi Heavy Industries or Sumitomo day, the Pentagon said Mr. Bryen

Heavy Industries. All three companies have been named in news reports in Japan in

the last week, after a Japanese news NEW YORK — The Defense paper, drawing on an interview with bepartment, in an unusual move, Stephen D. Bryen, who heads the companies. In its statement on Fri-

> had been misquoted. NEC has strongly denied it engaged in any diversions.



offers you at a "Stand By" room at a 50% DISCOUNT\*

HOTEL CONCORDE LA FAYETTE 3, place du Général Koenig - 75017 Paris Tel. : (1) 47.58.12.84 - Telex : 650 892 - 650 905

By Juan de Onis al Herald Tribune RIO DE JANEIRO - Brazil has signed an agreement with Angola to increase oil purchases, further strengthening its ties with black Af-

An economic agreement reached in Rio de Janeiro last week will double Brazilian oil imports from Angola to 20,000 barrels a day. For its part, Brazil will extend a nance Angolan imports of Brazilian manufactured goods, it was an-

purchases from Angola came as heavily on oil exports. military hostilities in the Gulf

from that region. Brazil is importing 235,000 barrels a day from Iraq, Saudi Arabia, Kuwait and Qatar.

The deal with Angola, reached during a visit to Rio last week by Pedro de Castro Van Dunem, the Angolan minister of production, had political as well as economic significance for two countries that have historic and ethnic ties as former Portuguese colonies.

Today, Brazil is an industrialized \$100 million line of credit to figoods, including arms, and has contractors with international experience building highways, dams armored vehicles. The agreement on increased oil and railroads. Angola depends

"Brazil has been asleep toward

fore flying home to Luanda. "It is time Brazil began to invest in Africa as a contribution to its own development." The Angolan minister delivered an invitation to President José Sarney to visit Angola, a "front-line"

hostilities with the South Africabacked UNITA rebels. Brazilian press accounts, which could not be officially confirmed, said Mr. Van Dunem had also discussed the purchase of Brazilian

with South Africa, Cuba and the Namibian rebels. Mr. van Heerden said that the breakdown in talks between Angola and the United States would not prevent further contacts between

#### Allies, Fearing Terrorism, Exclude CONVOY: Iranian Officials From West Berlin

BERLIN - The Western allies barred a number of Iranian diplomats and other officials from West Berlin over the weekend against a background of growing concern that U.S. involvement in the Middle East could provoke guerrilla

The United States, Britain and France, the allied military administrations in charge of security in the city, issued a decree Saturday effectively excluding 10 to 20 officials of the Iranian Embassy in East Berlin and Tehran's consulate in the western sector of the city.

An allied spokes say how long the officials in West Berlin were given to leave the city. But one security source said they would have to be out by Tuesday. "We don't take measures like this without believing there's a terrorist danger," one allied source said. "We must bear in mind La

killed three persons and injured more than 200 in the La Belle dis-U.S. military contingent in Berlin. The Iranian ambassador in East

and asserted that it was part of a conflict with Tehran's revolution-"In our eyes and the eyes of a billion other Moslems, the terrorist center in West Berlin.

Berlin, Hamid Reza Assefi, dis-

missed the allies' action as absurd

government is the Reagan adminis-tration," he said. "What they say about us is absolutely untrue. The decree made no specific alle-

gations of guerrilla plans, but security sources said fears of a bomb

Just over a year ago a bomb ships escorting Kuwaiti tankers in

Washington accused the Libyan cotheque, a popular meeting place Embassy in East Berlin of smugfor members of the 6,000-strong gling the bomb used at the discotheque over the border and issued an order, still in force, that excludes Libyan diplomats from the West-

la November, officials of the global U.S. plot aimed at stoking Syrian Embassy in East Berlin, except for the ambassador, were ex-cluded after Damascus was implicated in an attack on an Arab social

A body called the Berlin Kommandatura, set up by the U.S., So-viet, British and French authorities issued the bans.

Moscow walked out of the Komattack had grown since Tehran mandatura in 1948, which means blamed Washington for clashes in that its rulings, though theoreticalindatura in 1948, which means Mecca in which hurdreds of Iranily valid for both East and West an pilgrims were killed. Iran has Berlin, cannot be enforced for the

#### in 1945 to rule the occupied city, Operation Martyrdom, and report- lives of any Iranians associated

ed that its fleet of speedboars was with the operation, according to ready for suicide missions against one of the U.S. participants in the Mr. Rajaie-Khorassani said, "They are not all suicide-oriented boats," and he denied that Iran

(Continued from Page 1)

sive line" but had not recently put

them in the path of U.S. warships

sian Gulf because it is a war zone.

and the Iragis have laid it, we have

laid it," Mr. Rajaie-Khorassani

Mr. Weinberger said that recent

"We have had mines in the Per-

escorting Kuwaiti tankers.

nurned up other mines.

engaged in terrorism. Iran has also pledged to stage attacks against U.S. targets around the world, including within U.S. borders, and has blamed the United States for the Mecca rioting.

To call what we do for our deense 'terrorism' is a very nasty way of explaining it," Mr. Rajaie-Khor-assani said, calling the U.S. role in the region "very irrational" and

"very explosive."

Mr. Weinberger said that the Iranians themselves "were responsible for the carnage at Mecca." "The Iranians are not rational,"

he said. "They break every code in the world. They do that whether you have your might on display or you don't." (UPI, AP)

Talks on Arms Embargo The United States has begun new consultations on a resolution at the United Nations Security Council that would seek to impose

according to State Department of ficials, The New York Times re-

The speaker of the Iranian Majlis. Hashemi Rafsanjani, said in an tional reported from Bonn.

paper Die Welt: "Naturally we are interested in the strait being kept open," he said.

interview released Sunday that curtailed, United Press Interna-He told the West German news-

"Our position is simple: If we can't use the Gulf for oil exports then we calls for direct involvement of the close it then? That is our answer:

#### RESCUE: Initial U.S. Efforts in Iran Included a Counterterrorism Plan

U.S. Cites Support (Continued from Page 1) Mr. McFarlane's reference was to

the possible rescue attempt. According to the notes, Mr. McFarlane said at the lunckeon meeting that, after Mr. Weir's re-

lease, the hostage release program

was "not going anywhere." A source close to Mr. McFarlane said the former national security adviser had no recollection of the

U.S. minesweeping efforts follow-President Ronald Reseau and ing the mining of the Bridgeton had his top advisers have said repeatedly since the arms sales were exposed in November that a main "We destroyed mines outside U.S. motive was to create an open-Kuwait harbor," he said. "We don't know if the those specific ing to "moderates" in Iran. But a mines were owned by Iran, but we rescue mission that took advantage have every reason to believe they of an arms deal would have heightened the mistrust between the two Iran recently completed four countries and could have endangered not only the hostages but the

> hostage negotiations. The financing of the September 1985 TOW sales by Israel, which made clear that Iran was willing to pay far in excess of cost, created large profits that would be avail-able for other purposes, and thus provided a model for what later became the diversion of such proceeds to aid the contras, as the

Colonel North's notes and testimony from the Iran-contra hear- dal, but we can bomb Libya and congressional committees.

ideas for use of such proceeds may have been in the area of U.S.-Israeli countertemprism projects or in relation to Mr. Casey's vision for a

be able to conduct "off-the-shelf" covert projects. These, Colonel North argued, would not have been funded with appropriated U.S. government money and thus would not neces-sarily be subject to U.S. laws or congressional oversight.

"self-financing" entity that would

The initial arms shipments took place amid mounting White House concern and frustration over terrorism, including the June 1985 hiacking of TWA Flight 847 and the October 1985 seizure of the Achille Lauro cruise shin.

Colonel North, according to former colleagues, was impressed with the direct tactics of the KGB after three Soviet diplomats and a doctor were seized, and one of the diplomats slain, in the autumn of 1985 in Beirur The three survivors were released in December after the Mr. Casey. KGB seized relatives of the cap-tors, toruned and killed one of visit by Prime Minister Peres, Colo-

Nir, the Israeli expert, as early as ered a partial shipment of Hawk

reference to the September 1985 TOW shipment, "it was agreed that the \$ was used for other purposes. that somebody in the U.S. government had authorized Israel to use part of the \$5 million from Iran for something other than missile re-

During Mr. Nir's visit to Washngton just before that, the Israeli counterterrorism specialist indicat-ed the desire to use the residuals, or Iran, "for other activities," Colonel North told the Iran-coutra panels He said he had "sought approval from my superiors for those operaions" and had discussed them with

them, and threatened to do the nel North suggested that Mr. Reagan be briefed on certain "sensi-"It's necessary to attack terror-tive" joint initiatives involving the ists directly, but U.S. laws on the hostages. The colonel, who testified books make that difficult to do," that these initiatives were paid for said a North colleague last week. by arms sales proceeds, provided "It's illegal to assassinate Abu Ni-details at a closed session of the

ings suggest, however, that the first kill some innocent people to make. The military rescue option was considered in June 1986, immedia point against terrorism."

considered in June 1986, interest of Tehran ately after a delegation to Tehran ately after a delegation to Tehran notebooks, had dealings with Mr. headed by Mr. McFarlane delivered of Hawk antiaircraft missile parts but failed On Jan. 7, 1986, according to a to secure the release of the remain-

notebook entry, Mr. Nir called ing U.S. hostages.

Colonel North. "Regarding the first 504," the colonel wrote in a military planning to rescue the hosmilitary planning the hosmilitary planning the hosmilitary planning the hos tages, and Rear Admiral John M. Poindexter, Mr. McFarlane's successor as national security adviser. This appears to refer to the fact asked Mr. Casey to intensify efforts to locate them, according to the

> Admiral Poindexter wrote Colonel North: "I am beginning to think seriously about a rescue effort for the hostages. Is there any way we can get a spy into the Hayy

He added: "Over a period of time we could probably move covertly some people into Yarze."

Both areas are in the immediate outskirts of Beirut.

According to the Tower board, Colonel North noted that Richard Second, a retired air force major general who was a main figure in the affair, had been working with Mr. Nir and "now has three people in Beirut and a 40-man Druze force working for us. Dick rates the pos-sibility of success on this operation as 30 percent, but that's better than

#### OPTIONS: U.S. Ponders Responses to a Raid by Iran

an coastal targets. Marine artillery specialists could be slipped ashore to direct the gunfire, so there would be no repetition of the failure to hit most targets in Lebanon in 1983.

The battleship Missouri is expected to arrive in the Arabian Sea by mid-August, along with six oth-

Since naval officers oppose sending a battleship into the Gulf's confined waters, the Missouri's huge 16-inch (400mm) guns may not be fired. But the ship is armed with Tomahawk cruise missiles, which could be fired from far at sea at targets 500 miles inland.

Another possibility is that cruise missiles could be fired from submarines in the Arabian Sea. The Iranians would never know where they had come from.

The Navy does not disclose subdard for at least two of them to accompany an aircraft carrier. Many of the submarines have been armed with Tomahawks,

While retaliation might be relatively simple, a larger military operation would be extremely difficult if an Iranian invasion of Kuwait or Saudi Arabia prompted a request from their governments for sustained military support.

Marines could be flown in and then pick up arms aboard ships that would have sailed to the Gulf from Diego Garcia. Paratroopers could reinforce the marines.

But the mission would be diffiway around the world from the United States. U.S. armed forces lack air and sea transport to sustain supplies in the region.

operations in that part of the world But the mission would be diffi-cult. The Strait of Hormuz is half-privy to the Joint Chiefs' thinking.

A greater difficulty would arise from an attack of ambiguous oria flow of troops, weapons and sup-plies, and the United States lacks embassy or an explosion aboard a fishing boat that had sidled up to an American warship.

#### REAGAN: U.S. Supports Accord

#### (Continued from Page 1)

want to be seen as the only voice against the plan in the face of a consensus among leaders in the region and Democrats in the Con-

The officials said Mr. Wright's role in formulating the plan ap-peared to have given impetus to the the leaders of Guatemala, El lvador, Honduras, Nicaragua and Costa Rica, was the first signed agreement after almost four years

of negotiations. mocracies," an official said. "They have claimed that we should back off and leave it to them to force the Sandinists to democratize and demilitarize. We've heard the speeches; now let's see the action.

Left unsettled, and certain to be The terrain would favor U.S. administration will do about seekfrom Iran to Saudi Arabia is a nar-rebels. The \$100 million approved

by Congress last year expires Sept. 30. The Guatemala plan calls for a cease-fire to begin by Nov. 7.

Mr. Wright said Friday that he saw little reason to vote on further an arms embargo on Iran for its military aid while the peace process continuation of the war with Iraq, was moving forward.

Mr. Wright said, however, that he would not rule out the possibili- ported from Washington. ty of allowing humanitarian aid for Threat by Rafsanjani the rebels while the peace talks pro-

Another important issue to be settled is the role played by the Tehran would close the Strait of contras in talks leading up to a Hormuz if Iranian use of it was

Adolfo Calero, a contra leader, said last week that he would not agree to a peace made by Nicaragua and the United States "over the heads" of the contras.

Neither the administration proa major issue, is what the Reagan posal nor the Guatemala accord will close it. Why shouldn't we rosed to non forces, since the invasion route ing further aid for the Nicaraguan contras in negotiations toward a Either the strait is open for all or

#### Many Look Twice market economic policies continue.

CHILE:

whatever the government. Mr. Ayala said he was confident that the military intended to keep its word and gradually return Chile

ю бетоствсу. "I have tremendous respect for the Chilean armed forces," he said. They are committed to lead the country to democracy, and if they

are committed, they will do it, no matter who the next president is." Mr. Ayala, who has said that he does not favor dictatorships, ap-peared careful to make clear that his faith was in the armed forces as

a whole, not necessarily in General Pinochet Several businessmen said they favored the proposal advanced by the three other military command ers - most clearly by General Fernando Matthei, the air force commander — to name a civilian

candidate. General Matthei reportedly hopes such a candidate could be selected with consensus support. The military leaders are supnate the candidate manimously 30 to 60 days before the vote. If the commanders cannot

agree, the decision will be up to the broader National Security Council. - In the interests of armed forces unity, however, it is expected that either General Pinochet will persuade the three commanders to support him or that they will win him over to another candidate.

The leader of an organization of siness people who requested that his name not be used said he thought it was too soon for open elections in Chile. He also said that he would prefer "a civilian backed scite and that he would vote against General Pinochet.



Patricio Aylwin

#### Chile Politician Seeks Free Vote

MADRID - Patricio Aylwin, the newly elected leader of the main Chilean opposition party, the Christian Democrats, says he is seeking talks with his country's military rulers to bring about democratic elec-

In an interview published Saturday in the Spanish newspaper El País, Mr. Aylwin said hoped to persuade the armed forces to drop plans for a chosen by the military would succeed General Augusto Pinochet as president.

"Apparently, the armed forces don't want to negotiate at the moment," Mr. Aylwin said, "but this may change when we have five or six million voters registered in an electoral

#### PARIS: The Big Guns Stay Home (Continued from Page 1) nghurst Castle gazing at V. Sackville-West's white garden through dark glasses, the publishing trade is already hyping its aunum lists. "Publishers and writers with

books coming out in the fall are making the rounds of dinners with journalists in order to start the famous bouche à l'oreille, or word of month," Mr. Labro says. "The Pa-risian bouche à l'oreille begins in

August."
Another event that begins in Angust is the annual series of price increases announced by the gov-erument in the hope of catching consumers snoozing in the sun. The process began on Aug. 1 when postal rates increased by 2.4 per-cent, followed two days later by a

rise in the price of cigarettes. If price increases are a national event, on the Paris scene each August it is traditional for a big film to be shot that requires chase scenes over empty streets. This month it is a Roman Polanski thriller starring Harrison Ford.
To service the new trendy An-

gust stay-at-homes, many of the better Paris boutiques have stayed open in the hope of recour losses on disastrous June and July sales figures. Favorite média restanrants such as Edgard on the rue Marbeuf and La Gauloise on the avenue de La Motte Picquet, which also attracts political figures, remain open. Hotel restaurants and calé terraces are favored by summer bachelors.

city, a bachelor's city," Mr. Labro says, "which means that there are all those polls in newspapers and

the rest of the country August is a vivid illustration of Sartre's statement that hell is other people. It is a moment when newspaper headlines fall into the language of a military campaign and July 31 is called D-Day or Jour-J. "Twenty-seven million Frenchman leave on vacation, 8,000 will not return, one headline claimed, in effect

sounding taps before reveille. It has been estimated that the French devote one-twelfth of their budgets to vacations. Still, 50 percent do not go away at all. They are assumed to be farmers, the poor, the aged and immigrant workers who might not feel all that cozy on a Breten beach.

17-15

· To the French the summer vacation is the high point of the year, in effect more than a constitutional right because while no one has read the constitution everyone knows about the law of 1936 that created the congé payé. The economic con-sequences of the country's shutting down for the month of August are grave and, it appears, beyond cure.

Pointing out that 70 percent of French industry closes up shop in August (automobile production alone drops by 80 percent), La Monde had an article last week on the failures of sensible attempts to spread vacations over a period of several months.

One of the most energetic combatants of the August shutdown was André Henry, minister of temps libre, or leisure time, in 1981-83. Mr. Henry, a Socialist, published a meteorological study that "Paris in August is a husband's showed June was the sunniest month of the year and called the French August an economic aberration. But he was unable to change magazines about are the French his countrymen's habits. The only faithful in August. And of course new shutdown that occurred was While what the French like to has put under the department of call le happy few remain in Paris, for tourism.

# or more off your newsstand price when you subscribe for 12 months to the International Herald Tribune.

Country/Cu	urrency	12 months (+ 2 months FREE)	6 months (+ 1 month FREE)	3 months (+2 weeks FREE)	You per copy**	Save per year
Austria	A. Sch.	4,800	2,600	1,450	A.Seb. 8,81	A. Sch. 3,207
Belgium	B.Fr.	11,000	6,000	3,300	B.Fz 19,78	B.Fr 7,200
Denmark	D.Kr.	2,500	1,400	770	D.Kr 3,13	D.Kr 1,139
Finland	F.M.	1,730	950	520	F.M. 3,25	F.M. 1,183
France	EE	1,500	820	450	F.F. 2,88	F.F. 1,048
Germany"	D.M	580	320	175	D.M. 1,11	D.M. 404
Gr. Britain	3	130	72	40	£ 0,19	£ 69
Greece	Dr.	22,000	12,000	6,600	Dr. 49,56	Dr. 18,040
Ireland	£.Irl.	150	82	45	£.Jri. 0,29	£.bd. 196
lealy	Lire	380,000	210,000	115,000	Lire 756	Lire 275,200
Luxembourg	LFr.	11,500	6,300	3,400	LFc 18.41	LFc 6,700
Netherlands	Fl.	650	360	198	PL 1,21	FL 440
Norway*	N.Kr.	1,800	990	540	N.Kr 3,85	N.Kr 1,110
Portugal	Esc.	22,000	12,000	6,600	Esc. 64,56	Esc. 23,500
Spain*	Ptas.	29,000	16,000	8,800	Ptes. 55,33	Ptas. 20,140
Sweden*	S.Kr.	1,800	990	540	S.Er 3,05	S.Kr 1,110
Switzerland	S.Fr.	510	280	154	S.Fr. 1,10	S.Fr. 400
Rest of Europe Africa, Middle	North Afric	a, former French 430	230	125	Victor I	o comby
Rest of Africa, Gulf States,		Asia: 580	320	175	1200	oy commy

In these countries, hand delivery is available in major cities on publication date For details and rates, please check here and fill in your address below. Offer valid through December 31, 1987 for new subscribers only

#### CHAD: Town Recaptured

(Continued from Page 1)

could be used to launch attacks against Chadian forces.

Military observers said Chad would probably not be able to retain total control of the region until the Libyan base, guarded by sever-

al thousand troops, was conquered. In Tripoli, Libyan radio, moni-tored by the BBC, said Chadian forces had attacked the Accourregion, describing it as being inside Libyan territory, and it threatened retaliation for "this aggression."

The radio said the attack had been carried out with the help of "imperialist forces," a reference to the United States and to France, which has 1,200 troops in southern Chad with a squadron of jet fighters available to protect the south-

ern capital. ian victory, the first major military action since Chad gained control of most of northern Chad in late March, was greeted with demon-stratious in Ndjamena.

#### (Continued from Page 1) entially correct," and that the de-missiles with multiple warbeads.

ployment should be regarded as a

U.S. intelligence experts dispute the Helms assertion, "the preponderance of the intelligence commu-nity believes that the Soviet Union has begun deploying the rail-mo-bile SS-24." The SSX-24, in development for. tryside. The SS-25 is a single-warmore than a decade, can carry up to

10 independently targeted no warheads, the Pentagon says. Its range of 6,200 miles (10,000 kilometers) enables it to reach all major U.S. military targets via polar tra-Mr. Helms was seeking to dis-

Democrats to require through leg-islation that the United States ad-mer national security adviser, here to the 1979 SALT-2 treaty so urged that both superpowers shift long as the Soviet Union remains in to mobile, relatively untargetable, He said that he had obtained attraction of striking first when

The United States ceased observ- treaty constraining strategic nucleing the SALT-2 tresty late in 1986 ar arms that is presently under ne-

One official said that while some in response to alleged Soviet viola- gotiation in Geneva. tions of other treaty provisions. The Soviet Union previously deployed another mobile strategic m-clear missile known as the SS-25, designed to be launched from

> head missile.
> The United States has just begon studying deployment of its 10-war-head MX missiles on railroad cars, and is still developing a single-warhead, mobile counterpart to the So-

The Reagan administration's credit an expected move by Senate Commission on Strategic Forces, chaired by Brent Scowcroft, a forland-based missiles to lessen the

agreement from "key intelligence, conflict seems immir defense and national security au-But the Reagan administration thorities" that some SSX-24s has argued that Soviet compliance

ARMS: Soviet Puts Missile on Rail Cars, U.S. Aides Say der the treaty's limit on land-based would be so difficult to verify that none should be permitted in the

> Several U.S. officials challenged Mr. Helms's allegation of a serious new Soviet violation of the SALT-2 treaty. They asserted that the Russians had dismantled a sufficient trucks that roam the Soviet coun-number of SS-17 missiles to make up for recent deployments of the SS-24 and a new missile-carrying

Typhoon submarine.
The officials said that Mr. Helm's assertions were technically correct, however, because the Russians had not yet blown up the old SS-17 silos as required by the treaty, even though the missiles had been withdrawn.

#### 113 Die in Floods in India

United Press International NEW DELHI - Freak monsoon floods have killed at least 113 people across India while droughts in other areas cansed by unusual weather patterns have ruined crops, officials said Saturday.

ESCORTS & GUIDES

DUSSELDORF - PENTHOUSE ESCORT Service. Cologne/Essen 0211/499784

Herald Eribune. To: Subscription Manager, International Herald Tribune 181, Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France, Tel.: (1) 46379361, Tix.: 612832 Please enter my subscription for: My check is enclosed. Please charge my credit card account: Card account number Card expiry date Address City/Country

#### **ESCORTS & GUIDES** INTERNATIONAL CLASSIFIED INTERNATIONAL **ESCORT** USA & WORLDWIDE

Head office in New York 330 W. 566 St., N.Y.C. 10019 USA 212-765-7896 212-765-7754 MAJOR CHEDIT CARDS AND CHECKS ACCEPTED Private Memberships Available

LONDON Portman Escort Agency 67 Chittern Street, London W1 Tal: 486 3724 or 486 1158 All major credit conds accepted LONDON

KENSINGTON

SCORT SERVICE 10 KENSINGTON CHURCH ST, WI TB: 937 9136 OR 937 9132 All major cradit cards account \*\*\*\*\* GENEVA BEST ESCORT SERVICE: 022/21 03 40

**ESCORTS & GUIDES** ARISTOCATS CAPRICE-NY Landon Exant Service i Wignore St., London W.1 notor Credit Cards Accepte Tals 437 47 41 / 1912 12 nose - midnight SCORT SERVICE IN NEW YOR TEL 212-737 3291.

REGENCY NY WORLDWIDE ESCORT SERVICE 212-838-8027 or 753-1864 LONDON

ESCORT SERVICE from Sont ROTTEDAM (0) 10-4254153 THE HAGUE (0) 70-40 79 96

BELGRAVIA Securi Service, Tel: 736 5877. MAYFAIR CLUB

(Continued From Back Page) **ESCORTS & GUIDES** 

> \* ZURICH 558720 \* vede Tourism Guide Servi Credit Cards Accepted

GENEVA ESCORT SERVICE. Tel: 46 11 58 \*\*GENEVA\*\* PLATE ESCORT SERVICE 34 07

\*\*\*\* MADRED

GENEVA GINGER'S \* ESCORT SERVICE 022/ 34 41 Be ESCORTS & GUIDES CHESEA ESCORT SERVICE T Becochomp Place, London SW3. Tel: 01 584 6513/2/49 (4-12 pm) GENEVA \*DESTREE\*

\*\*ZURICH\*\* CARCUNE ESCORT and gode service, Melifiagual, Tel: 01/226174 OUSSELDORF - KOELN - ZUR area, Travel and Escort service. Cords. Tel: (0211) 34 00 84. MADRID IMPACT excert and guide service. Nehillingual. 261 4142

Tel: 935 5339, ATHENS INTERNATIONAL E Escort Service, Tel: 722 8241 ONDON & HEATHROW Excert ! EYECATCHERS LONDON ESCORT Service. Tel: 01 519 5552 FRANKFURT - COMPANION I Service, Tel: 65 62 76. KATRINA ESCORT SERVICE, Lond 01 555 8611.

SOPHIE FRENCH specking Escort Se vice. Tel. Landon: 01 581 4147. TENNA YOUNG ESCORT Service Talk 83 33 71, ENGLISH" Dusseldorf/ Essen/ Born Koeln Escort Service, 0211/383 141 OKYO ESCORT / GUIDE SERVICE. Tel: 351 22 78. MSTERDAM, S.H.E. ESCORT and Guide Service, Tel. 949800, RANICURT + AREA Christing Escort Service 089/364656 Credit Cards too CONDON ONLY JAPANESE ESCORT Service. Tel: 01 370 0634, MUNICH - REMEMBER - ESCORT and Guide Service. Tel: 089/912314 Tel 022 / 35 68 21 CONDON CRISTINA SWEDISH Excert Service, Tel: 01-834 0891. GENEVA ROYAL ESCORT Service. Tel: 022/812 772. LONDON ORIENTAL GUIDE and Ex-cort Service, Tel. 01-243 1442

AMSTERDAM 2000 ESCORT Service Tel. [0] 20-91 1030

AMSTERDAM BERNADETTE EKON Servica Tel: (0)20-327790 FRANKRIST "TOP TEN" ESCORT Service. 069/55-88-26 NEW YORK-LADY CHINAMON Es-cort Service 212-996-2567 ANEKA LONDON/HEATHNOW, E. cort Credit cords, 727 9858/373 5719

# ERSONAL INVESTING

Buying

Herrorian Pa

2 1 Mile May How

The state of the s

 $\pi_{\mathcal{X}^{(1)}}$ 

425 %

42

· 11 257

Trans. 5

ಗಳಷ್ಟಾಗಿ 🖥

11 5 2

아스를 () 아스템()

4.5

diag.

. 52%

· \_ \_ 9

# **New Buyers** In an Old Rally

UGUST has become a month of reflection for Wall Street in recent years. With the bull market in U.S. stocks five years old this. month, the time seems unusually appropriate for asking the agonizing question of how much longer the good times will roll.

The debate has a familiar ring to it. Media pundits worry that stock prices are running far ahead of economic reality. Brokerages issue reams of upbeat

reports to reassure doubters. And some investors dabble in gold, just in case.

From Abroad The concern is under-Net purchases of U.S. equities by foreigners in 1987's first four months in bilkons of dollars standable. Nothing lasts forever. And this particular rally has served inestors well. In the past 12 months alone, it has weathered growing indi-cations of a tiring economy, inflationary jitters, a weakening currency and uncertain political prospects associated with an outgoing administration that has been wounded by scandal.

Still, the Dow Jones industrial average has climbed more than 30 percent since the start of the year. And the outlook remains favorable, As investment strategists celebrate the bull market's traditional August anniversary, many believe most of the good

an August anniversary, many believe most of the good times are behind us, but are far from over.

Strong corporate earnings, experts say, will sustain the rally. The dollar's decline has not only improved the export capabilities of U.S. manufacturers, but also forced American industry to go through a painful restructuring. Now, that the dollar's fall has closed as the same terms of the control slowed, so the argument goes, U.S. companies are about to reap the benefits of a newfound competi-

QUALLY important, however, is the willing-ness of foreign investors to accept this reason-ing. Since Jan. 1, their presence has become an increasingly important element in supporting the

Even though the degree of foreign influence is nowhere near the dominance it achieved in Europe in 1985 when Continental bourses were propelled to record levels and then abandoned, a growing number of American analysts believe their participation in the market could make the difference in the months

to come.

"It's critical in sustaining the rally," says Steem,
Einborn, chief investment strategist at Goldman,

Adds John Conlon, head of equity research and trading in New York for Nikko Securities, one of the big four Japanese brokerages: "There's no doubt that it's a new part in the equation."

Foreign investors turned lukewarm to U.S. stocks toward the end of last year — net purchases totaled \$400 million in the final quarter, a paltry sum compared to \$4.7 billion in the previous three months,

according to the U.S. Treasury Department.
Opinions changed in 1987, however. Prospects of better earnings, more responsible price earnings mul-tiples and a general feeling that the dollar's long decline has just about run its course apparently

rekindled faith in the U.S. market. Net purchases of stocks jumped to a record \$9.8 billion in the first quarter. In fact, foreigners were bigger investors than U.S pension funds, traditional-

ly the market's mainstay. By far, Japan has been the biggest source of funds, accounting for more than a third of the first quarter total Japanese investors have grown wary of their huge holdings in U.S. Treasury bonds and have turned increasingly to equities, a process that shows no signs of slowing.

ET the Japanese, after some concern about the dollar's shakiness in April, poured another \$2 billion to \$3 billion into U.S. stocks in June, according to preliminary data compiled by the Ministry of Finance in Tokyo. Moreover, Nikko's Mr. Conlon says he recently has noticed more cash-rich

Japanese institutions entering the U.S. market.

Of course, if the dollar resumes a downward spiral,
the Japanese will have second thoughts. But a more
immediate concern may be the health of the Tokyo Stock Exchange. The market is already displaying signs of fatigue, and a number of analysts fear that a sharp correction could so unnerve Japanese institutions that they would quickly try to raise cash by selling stocks in New York, as well as Tokyo, a move that could trigger the end.

"If the Tokyo market were to crack open," says Goldman's Mr. Einhorn, "the effect in New York could only be bad." John Meehan

#### UPDATE

# **Gold Strategy**

INDING value in gold stocks is getting tough. Earlier in the year, investors bought up shares in gold-mining companies in the United States, Canada, Australia and South Africa as a hedge against the widely perceived risks in the stock and bond markets [Personal Investing, April 13], Such popularity drove prices beyond sensible levels, prompting some portfolio strategists to recommend gold coins instead.

But Jack Jones, a Phillips & Drew analyst in London, says it is premature to abandon the sector entirely. He believes gold prices will reach \$500 an ounce by the end of the year as the metal continues the gentle climb that began in 1985. "The downside

risk is less than 25 percent," he says.

Mr. Jones acknowledges that many of the established gold mines remain overvalued despite a selloff of a couple of months ago. Instead, he says, investors should hunt for gold-mining companies that are expanding operations. Increased production, he argues, is bound to translate into bigger earnings as gues, is bound to translate into bigger earnings as gold prices rise. "Each market has its own cheap [gold] stocks," he says. Mr. lones cites Newmont Mining in the United States as a good example. "It is tremendously undervalued." In Australia, he likes

# Wine Investors Cautiously Await the Harvest

A modest crop of quality would help restore interest in a shaky market

By Jacques Neher

T is still two months before the lush vineyards at Château Marganx will yield the first drops of wine for vintage 1987, but Paul Pontallier, the 31-year-old manager of the estate, already can promise at least one thing: There will be less of it than

promise at least one thing: There will be less of it than last year.

The heavy and constant rains of June, he explains, pointing to clusters of unripened, green meriot grapes, affected the flowering of the vines. The result was coulure, a malady whereby unpollinated grapes do not develop and simply fall off the vine.

Still, it could have been worse. "We were quite effect in June that the charge world arms at life."

afraid in June that the rains would cause millerondage," says Mr. Pontallier, who holds a doctorate in cenology, or wine making. He is referring to another condition in which the grapes still develop, but without seeds and therefore do not mature correctly. "We

were pleasantly surprised."

About 15 miles (24 kilometers) down the road in the prime Médoc region, Philippe Cottin, who has run Château Mouton-Rothschild's wine-making operation for the past 30 years, concurs with his young competitor, although he is more philosophical.

"In 1985 and 1986, we had too large a vintage," Mr. Cottin says, "If we had another one in 1987, the vines might have suffered. So God made us lose some

might have suffered. So God made us lose some quantity. We have to accept Mother Nature."

Accepting Mother Nature will be difficult for wine connoisseurs. Some experts believe this year's wine production could be between 20 percent and 30 percent smaller than last year's. Prices are bound to rise. But it is perhaps the cheeriest news that investors in about 25 investment-grade Bordeaux wines have had

For the past few years, the wine market has been reeling from a combination of an oversupply of very good wine and a weakening dollar that has all but dried up American interest in wine investments. Decanter magazine's index of auction prices for 60 Box-deaux wines climbed only 11 percent last year com-pared with 33 percent and 23 percent in 1985 and 1984, respectively. So far this year, the index has risen

Most of the châteaux producing investment-grade wines a few months ago were forced to roll back prices between 10 percent and 15 percent on their 1986 vintage, even though some believe that vintage may be among the best of the decade.

For Mouton-Rothschild and Marganz, both classified as premier grand crus, or first growths, their 10 percent price reductions to the negocian or broker, meant a drop to 180 francs (\$30) a bottle, from 200

france last year on the 1985 vintage.
"In dollar terms, the 10 percent reduction still represented an increase, but for such a great vintage, that was a lot," says Corinne Mentzelopoulos-Pent, who manages the business affairs of Château Mar-gaux, which her family bought 10 years ago. She said Marganx and the other first growths did not need to cut prices, but did so in consideration of the American

Continued On Page 8



#### **BORDEAUX:**

Paul Pontallier, estate manager at Chateau Margaux, inspects clusters of merlot grapes that will be pressed, fermented and blended.

# California Comes Alive

By Alex Barnum

Napa, California
EARS of hard work, determined marketing
and a lot of inventive talent in the vineyards went into convincing consumers of the quality of California wine. But in the end, it took the legislature in Sacramento to transform it into an investment opportunity.

Up mnil last year, the Alcoholic Beverage Control Act, a relic of Prohibition, virtually outlawed a secondary market in California wine by making it illegal for individual collectors to resell bottles of wine. In fact, only when collectors died could auction houses and wine merchants dispose of collections.

California lawmakers, under pressure from the wine industry and excited by the prospect of new tax revenue, decided to ease the restrictions in 1986. Now, individuals can sell white or sparkling wines that are at least five years old and red wines that are 10 years or older. The age minimums exist so that consumers do not compete with the wholesale and retail business.

The revised law has already transformed avid collectors into investors, while creating a brisk business for vintage wine retailers and auction houses. The law specifies that wine can only be resold to licensed brokers, who are more than eager to earn commis-sions. This year, Butterfield & Butterfield Auctioneers in San Francisco will hold six major wine auctions.

compared with half that many a few years ago.
"People are cashing in a lot of their older wines," says Stephen Gilbertson, general manager of Draper & Esquin Wine Merchants in San Francisco. As many as 20 collectors a week have flooded his office with lists of their collections and have asked the company to market them.

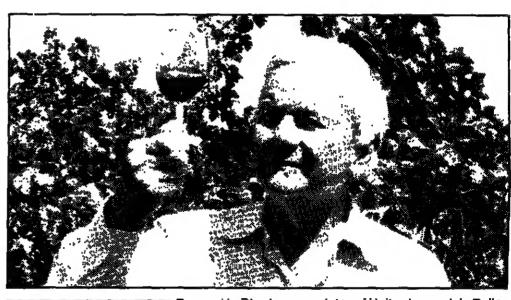
Still, investors should keep in mind that the market while improving, remains narrow when compared with that for Bordeaux wines. Although California wines have gained acceptabil-

ity in Europe since they were introduced there in the mid-1970s, foreign investors and collectors still regard them as little more than a curiosity, says Robert Parker, editor of The Wine Advocate, a Parkton,

Maryland, newsletter that tracks the wine industry. With the English, the Americans are sort of the Johnny-come-latelies," and expensive ones at that, Mr. Parker says. But in France, he adds, "the competition is so enormous that they can't do well,"

Indeed, California wines even have trouble infil-Continued On Page 8





NAPA VALLEY: Bernard L. Rhodes, proprietor of Heitz vineyards's Bella Oaks label, checks a wine's clarity and color.

# Two Ways to Play the China Card

By Patrick L. Smith

commercial opportunity. Translating that view into an investment strategy, however, is not much easier now than in the past. of the real cowboys. A weak economic infrastructure, a confusing bureaucracy, the nagging issue of political succession and a vulnerable modernization policy promoted by Deng Xiaoping are just a few of the

No one is more aware of the difficulties of playing the China card than Jonathan L. Compton, managing director in Hong Kong for Baring International Investment Management Ltd., and David Harding, a director of Thornton Manage-ment (Asia) Ltd. Both men guide investment vehicles whose primary goal is to find ways to

The Continuing Boom

in New Issues. Page 10

'Along with Brazil, China OR centuries, adventurous foreigners have viewed China as a land of vast is possibly the last home

- David Harding cash in on China's ambitious development plans.

"What excited us was the very significant shift China has made in its approach to managing enterprises," says Mr. Compton, referring to the rise of privately owned businesses and increased autonomy for state-owned enterprises. "And we still believe this is the most important development in Asia right now."

This copy of a Norman Rockwell painting

is sold by Xerart, the best-performing

new issue of 1987's first half.

EW FACES IN THE STATE OF THE ST

Reflecting such bullishness, Mr. Compton set

up the China & Eastern Investment Co. in late 1985. Listed in London and, since last January, in Hong Kong, the investment trust enables investors to participate in direct equity positions in mainland enterprises. So far, Mr. Compton has bought into seven

such ventures, ranging from a foie gras farm in Guangdong Province to a granite quarry, a trading company, a film production unit and a safe-It is not, Mr. Compton acknowledges, an ap-proach recommended for the overly cautious. In

his first few months of operation, hundreds of

would-be partners trooped through his office with entrepreneurial proposals that can only be described as oddball. These ranged from hotel investments and massive mining projects, Mr. Compton says, to some "very weird import-export ideas." One would-be entrepreneur offered China & Eastern exclusive rights to the mainland's copper exports, for in-

stance, in exchange for a few million dollars of investment in a proposed smelting operation. "I've learned that along with Brazil, China is possibly the last home of the real cowboys," the

31-year-old fund manager muses. Mr. Harding has taken a somewhat different approach. The Hong Kong and China Gateway Fund, launched in March 1985, is a unit trust intended to focus on foreign companies positioned to benefit from China's economic development either through trade or participation in mainland projects.

There's no such thing as a direct play on China," Mr. Harding, 26, says. "Even if you could invest directly, it's far too early to do so."

The Thornton and Baring strategies are not, however, miles apart. For one thing, Mr. Harding has just invested about 3 percent of the Gateway fund in Rockhaven, China & Eastern's duck and goose pâté farm, as part of a refinancing that Mr. Compton completed in June.

For another, both operations took roughly the same approach in their earlier days. Reflecting the consumer boom that swept the mainland several years ago, Mr. Compton and Mr. Harding

Continued On Page 9

# Have all the advantages of a bank account in **LUXEMBOURG**, without actually being there. To discover the advantages of banking in Luxembourg with BCC, all you have to do is to simply mail the attached coupon. We will promptly despatch to you by airmail our booklet containing detailed information about banking The BCC Group has offices in 72 countries, its Capital Funds exceed US\$1,470 million and total assets US\$17,500 million. The Head Office and branch of the Bank of Credit

& Commerce International S.A., in Luxembourg enable you to make full use of the unique advantages offered in Luxembourg which include:-PERSONAL BANKING

 Total confidentiality of investor's affairs by the laws of Luxembourg. 2. The benefits of being able

to open and operate an account in Luxembourg ithout actually going 3. Investments and deposits

made by non-residents are totally tax-free and there is no with-

 Luxembourg is a stable. prosperous financial centre in the heart of European Economic Community.



Mail this coupon for your FREE copy of "International and BANK OF CREDIT AND COMMERCE INTERNATIONAL S.A. 25 BOULEWARD ROYAL PO BOX 46
LUXEMBOURG TELEX: 2267 BCC2 LUX



# Wine: A Glut and a Weak Dollar Have Eroded Returns

#### A new California law eases the rules on reselling wine

Continued From Page 7

trating markets in the United States. Major cities along the East Coast, like New York, are actually larger consumers of French wines, Mr. Parker says. But this phenomenon is cyclical and fluctuates with the changing exchange rates. Currently, "the market is definited by soft for French wines" and American collectors and investors American collectors and investors are staying closer to home, he says.

Although brokers are constantly on the lookout for great vin-tages, only a handful of California vineyards have consistently produced widely recognized, invest-ment-grade wine. The classic success story is the 1951 Reaulien Vineyards Georges de Latour Pri-vate Reserve. The wine sold at a Butterfield auction in June for \$935 a bottle, the most ever paid at the auction house for a bottle of

wine ever made," says Dr. B.L. Rhodes, proprietor of Heitz's Bel-la Oaks label and a well-known collector, who recalls buying the wine at \$15 a case in the 1950s. Vintages in 1951 and 1958, he notes, were exceptional for Beaulieu Vineyards, Inglenook, Louis Martini and Charles to the wine with the collection of the collect Martini and Charles Krug, "the four mainstays of the California Mr. Schofield offers investors 80-

The highest price anyone can recall for a California wine was \$2,100, paid in 1983 for a bottle of 1936 Beaulieu Vineyards Private Reserve. By contrast, the record for a French wine was \$148,000, broker the wine elsewhere.

bottle of 1787 Château Lafite believed to have been ordered by Thomas Jefferson.

Except for a few Chardonnays from vineyards such as Sonoma-Cutter and Stony Hill, wines made from Cabernet Sauvignon, the same grape used in Bordeaux, are the only ones considered worthy A study of 300 Cabernets from

premium California wineries George Schofield, a wine industry consultant, found the overall average annual rate of return on wines made between 1968 and 1981 was 19.3 percent. While prices for wines up to seven years old performed below average. prices for wines more than seven

Still, collectors and investors have been taking greater interest in younger wines lately now that the revised law has uncorked a alifornia wine.

"It may be the best California softened their prices. Mr. Schofield has launched one

of California's most innovative wine investment programs. This year, he plans to buy 1983 Cabernet as it comes out of the casks at eight selected California vineyards and age them until 1993 in a humidity-controlled warehouse.

case units - 10 cases of each of the eight wines - at \$11,000 a piece. When they mature, inves-tors can take delivery, sell the wine back to Mr. Schofield at an agreed-upon price or have him

"I view this as a mutual fund of



Warren Winiarski, owner of Stag's Leap Vineyard, among the casks.

wines." Mr. Schofield explains. The selection includes some old standards like Robert Mondavi and Beaulieu Vineyards and some quality upstarts like Clos du Val

and Chappellet Vineyards. Meanwhile, Robert Mondavi last March became the first large vineyard to start a more traditional wine futures program by offering 10 percent of its 1985 and 1986 Napa Valley Cabernet Sauvignon Private Reserve to investors before it is bottled.

Some wine experts have taken a dim view of some of the recent programs, especially when they in-volve big, well-known vineyards. Many of these wines, they caution, will be widely available at release

time. Mr. Parker of the Wine Advocate goes even further. None of the futures programs, he says, are attractive enough for investors because of the relatively narrow mar-ket for California wine. "There is a glut of fine wines in the market," he says. "You just don't have enough demand for these wines" to justify investing money in a futures program.

For some, futures contracts of-fered by California's small vineyards are more alluring. The risk, of course, is greater. Like buying stock in a start-up company, an investor can never be sure that a new vineyard will be around next year. And the industry is still find-ing out how well these wines age.

The number of wineries in Napa Valley alone has blossomed to 155 this year from 65 only seven years ago, the Napa Valley Vintners As-sociation says. More than three quarters of them make a Cabernet and many of those Cabernets, according to wine collectors, are

good quality and in extremely short supply. Stag's Leap Vineyard, founded in 1971 by Warren Winiarski, offered a futures program to Lon-don investors in 1985. Other small

Draper & Esquin's Mr. Gilbertson also recommends lesser known vineyards, such as Lanrel

Bordeaux growers even cut prices

Continued From Page 7

market and as "a gesture that we were willing to share lesser mar-gins with the negociant."

Slightly older wines also are feeling the effects of the unstable market at the auction block. Michael Broadbent, wine division manager at Christie's in London, recalls that two years ago a 12-bottle case of 1982 Lafite sold from around £520 (\$832) to £700. In recent auctions it has fetched

between £500 and £560. Cases of 1982 Margaux have been averaging from £390 to £420, significantly lower than in 1985 when a case could go for between £560 and £660.

In a way, Bordeaux has become a victim of its own success. "We've had a series of excellent and plentiful vintages, with only two off years out of the last 10," says Mr. Cottin of Mouton-Rothnild. "That's exceptional."

Moreover, an effort by châteaux owners to maintain price growth in defiance of the mounting over-supply situation exacerbated the market's problems. Many châteaux, mostly producers of the lower or middle ranges of the clas-sified Bordeaux wines, engaged in a game of price leapfrog between 1983 and 1985. Négociants compounded the problem in 1985 by deciding to increase their margins, resulting in still higher prices.

Then came the dollar's plunge.

Americans, who consume perhaps

a third of Bordeaux's output and have been an increasingly power-ful force in the wine market, began turning away from wine investments as the dollar dropped from around 10 francs in early 1985 to about 6.25 francs at present.

Ausone of St. Emilion; and La

Dennis Overstreet, owner of the Wine Merchant in Beverly Hills, California, says there has been little interest this summer in 1986 Bordeaux futures contracts for wine to be delivered two years later. "It's all bo hum," Mr. Overstreet says. "Last year we got a lot of phone calls before the futures were even offered. I haven't seen that enthusiasm this time

Even 15 percent price reduc-tions from Bordeaux have failed to rekindle interest largely because the dollar's decline in the past year has wiped out any benefits.

At the auction house, it is much the same story, according to Mr. Broadbent of Christie's. "Many are over for investment grade fewer buyers are American than ever before," he says. For example, at an auction of Bordeaux

Staying Abreast of the Market

There are scores of publications on wine, but here are a few of the

The Wine Advocate, P.O. Box 331. Parkton. Maryland

recent book on Bordeaux. The newsletter is published six times a year and rates as many as a few hundred wines in

every issue. U.S. subscriptions are \$28 a year, and foreign

The Wine Spectator, 400 East 51st Street, New York

reviews wines and features interviews with industry

Decamber, 2-10 St. Johns Road, London SW11. This

features recipes and interviews with connoisseurs.

An U.S. airmail subscription is £60.

Two years ago, he says, Americans comprised more than a third of the

And despite the relative stabil-ity of the U.S. currency in recent weeks, experts still advise dollar-

based investors to remain wary. "T

understand the Americans' feel-

ings," says John Armit, president of John Armit Wine Investments

Ltd. in London. "I'd go very easy if I was dollar-based."

As for investors based in other

currencies, Mr. Armit believes

1986 wine from certain châteaux

could show nice returns four to six

years from now, despite the mar-ket's current instability. His buy list includes Mouton-Rothschild, Margaux, Haut-Brion

among the first growths; Léoville Barton, Pichon Lalande and Cos

Fleur, Certan-de-May and Vieux

Châtean Certan, of the Pomerol

region.

The list is largely in accordance with the preview ratings given the 1986 vintage by Robert Parker, a

leading wine expert, in his news-letter, The Wine Advocate. Mr.

Parker also gives high ratings to Petrus, L'Arrosèe, Beychevelle, Canon, Chambert Marbuzet, Che-

val Blanc, Ducru-Beaucaillou, L'Eglise Clinet, Figeac, Gruad-Larose, D'Issan, Léoville-Las-

Cases, Lynch-Bages, La Mission-Haut-Brion, Montrose, Poujeaux,

wines in the foreseeable future, at

least until the market can absorb

all the good wine currently in the

Sociando Mallet and Talbot

10022. This colorful tabloid, which is published twice a month.

personalities. U.S. subscriptions are \$30 a year. A six-month trial subscription cost \$11.95. Foreign subscriptions are \$75.

established British monthly reviews wines and spirits. It also

Subscriptions are £24 in the United Kingdom, £33 in Europe.

The Wine Journal, 4157 Banyon, Seal Beach, California

90740. This monthly newsletter features regular reports on the status of older vintages and reviews of wines before they are bottled. A U.S. subscription is \$48 a year, and foreign airmail

airmail subscriptions are \$50.

21111. This is the newsletter of Robert Parker, probably the most influential commentator on wine and the author of a

> 1986s will be sluggish and the of 1985s will flatten out," says Mr. Broadbent of Christie's. Not surprisingly, in the absence of a sharp resurgence in inflation, many growers and wine investors are counting on a diminished 1987 harvest to stabilize the market. If the wine yield is smaller, but of good quality, the market for 1987 intages will be strong. If quality is lacking, however, demand for pre-vious vintages will likely improve.

If the harvest proves bigger than expected, wine prices could suffer. In fact, a few experts admit to some concern over the possibility of a collapse in the market, as occurred in the early 1970s after a wave of panic-buying from inves-tors trying to beat high inflation. The large-scale dumping that fol-lowed pushed prices down to bar-gain levels.

"The cracks are already in the egg." says Mr. Overstreet of The Wine Merchant. "If the dollar gets weaker and prices go up a little more, you'll see that market stagger and come apart."

Mr. Broadbeat sees another po-

tential problem if wholesalers are forced to sell large stocks of 1985 or even 1983 vintage. "If the banks who lent money to these people see the value of their collateral going down, they may panic and call in those loans. There could be a stampede to sell wine and the bottom would fall out," he said.

But Mr. Armit is not buying either scenario. "The top 21 wines account for only 400,000 cases. There is more interest from Japan in top quality wines, while Swit-zerland and Germany remain strong markets. I can't believe there aren't at any time 400,000

# £25,000 +

#### THE HALIFAX. PERFECT FOR GROWING MONEY IN A LAND OF LATE FROSTS AND COLD WET SUMMERS.

It might sound like the type of climate you're trying to escape, but for your money the Halifax is ideal.

And being the World's No. 1. Building Society we are able to combine generous interest rates with high security. Of course, investors not ordinarily resident in the U.K. for tax purposes are paid the full gross rates of interest.

You can open a 90 Day Xtra account with as little as £500 and we've included a new level of interest, giving balances over £10,000 10.63% (10.91% C.A.R.\*). And balances of £25,000 and over receive the top rate of 10.96% (11.26% C.A.R.\*).

Withdrawals are easy, just give us 90 days

notice in writing. Or you can have instant access losing only 90 days interest on the amount taken out. Withdrawals which leave a balance of at least £5,000 can be made immediately without loss of interest.

Of course, if you don't need to make

withdrawals, and assuming there are no changes in the variable rates quoted, look how your money can grow after just one year.

Amount Invested £10,000 £20,000 £30,000 £2,182 Interest after 1 year £1,091 £3,378

So fill in the coupon now, or contact David Roberts in our Overseas Business Unit on 0422 65777 (extension 2419).

To: Halifax Building Society Ref IKW Trinity Road, Halifax HX1 2RG UK I/We enclose a Sterling Cheque/Sterling Money Draft no \_\_\_\_\_ To be invested in a 90 Day Xtra account. I/We would like the interest to be: added to balance paid to me (Please send me full details.) I am/We are not ordinarily resident in the UK. Please send the declaration form for payment of gross interest. Address \_\_\_\_ HALIFAX

This sum is being invested by me/us as sole/joint beneficial owner(s) Signature(s)\_

THE WORLD'S No 1

est is compounded twice-searly giving the Compounded Annual Rute (C.A.R.) or can be paid as monthly income. All interest rates quoted are correct at time of going to press To: Halifax Building Society P.O. Box 60, Trinity Road, Halifax HX1 2RG UK

#### For Investors, Timing Is Key HE timing of any in- such as with the 1982 vintage, \$100,000 to spend. In any case, he

vestment is crucial and no more so than in the wine market. For the best returns, investors should enter the market at the earliest possibie stage by purchasing wine fu-tures from their local merchant. A wine future is a contract that covers the purchase of a certain

quantity of wine for future delivery, usually within one or two years. Merchants begin offering futures on wine that is still in the barrel — en primeur — in the spring after the châteaux have set their prices.

For example, investors who bought futures on 1985 Château Margaux when it went on sale in the spring of 1986 will be able to take delivery of the wine to be bottled later this fall or early in 1988. Of course, many others will never take delivery, having sold their contracts before the wine over leaves the château.

The risk in futures is that the investor must buy before most professionals have had a chance to evaluate the vintage.

While significant appreciation does not usually begin until the John Armit Investments Ltd. in

where many futures contract buy ers can double their money by the time their wine is delivered. Although there are emerging

secondary markets for other French wines, such as red and white Burgundy and Champagne, Bordeaux has traditionally been considered the best available wine for investment because of its classification system, worldwide popularity and the fact that it improves with age.
Not all Bordeaux is investment-

grade, however. Seasoned investors, as well as connoisseurs, limit purchases to relatively few of the 7,000 châteaux in the Bordeaux region. Traditionally, "first growth" wines from the top five -Latite, Latour, Margaux, Mouton-Rothschild and Haut-Brion — have ensured high quality and

Some experts favor smaller chateaux that fall into the "second growth" category which produce substantially less than the 20,000 to 30,000 cases that big châteaux produce each year.

Wine investing takes lots of cash and patience. John Armit of wine comes to auction, about four London seeks clients with at least years later, there are instances, \$35,000 and preferably more than

says, that amount s borrowed and it should not represent more than 5 percent or 10 percent of a total investment portfolio. Most experts advise investors to buy between five and 10 cases as a minimum.

Moreover, the investor should be prepared to wait at least four to six years to maximize appreciation of the investment. "Wine is not a liquid investment," he says. "It takes time to sell in order to get the right price."

Transaction costs can be steep. Merchants such as Mr. Armit charge front-end commissions. ranging from 15 percent to 25 percent. And for investors not planning to drink their portfolio, there are sales costs to factor in.

Christie's, for example, charges the individual seller 10 percent of the hammer price as its commission, as well as 10 percent from the

Moreover, there are shipping and storage costs. Mr. Armit says his clients pay about £1 (\$1.60) a case for the wine to be shipped from Bordeaux to Britain and £3.50 a case each year for warehousing and insurance.

DIAMONDS

YOUR BEST BUY

agle diamonds at wholesale prices ordering direct from Antwerp.

world's most important cut-mond market Give diamonds

to the ones you love, buy for investment, for your enjoyment. Write airmail for free price list

him Golden mantexport BVBA
Established 1928
astrant 62, B-2018 Antwes

EX: 71779 avi b

Jacques Neher



more than 1700 American stocks. It provides a vast amount of statistical history and forecasts, all of which are reduced by Value Line's computer-based programs to two simple, easy-to-apply indices: (1) The rank for Timeliness (Relative Price Performancie of the stock in the Next 12 Months) and (2) the rating for Safety (Price Stability of the stock plus financial strength of the company).

An introductory subscription to The Value Line Investment Survey brings you as a BONUS Value Line's 2000-page Investors Reference Service, with the latest reports, rankings, and ratings on over 1700 stocks, together with the 72-page guide, "A Subscriber's Guide." Then, every week for 12 weeks you will receive new reports on about 130 stocks, which update and replace the corresponding reports in your Reference Service—for just \$85, about half the regular rate, providing you have not had a subscription in the past two years. Send payment along with name and address together with this ad to Dept. 613 DO 2

THE VALUE LINE

t in local correncies (British £60, French fr600, Series fr160, DM190

HEBE DORSEY IN THE HIT EVERY TUESDAY WITH FASHION ... AND THE PEOPLE WHO MAKE IT ...



it will improve." In fact, he believes ECAD's earnings

will rise to 50 cents a share in 1988 from 37 cents this

He also likes Resource Engineering, a hazardous-

Aside from the investor's willingness to assume

waste management consultant that went public June

high risk, another basic consideration is the willingness of investors to hold small stocks during a long-term rally that has largely favored blue chips. "If you're going to invest in these stocks long term, you have to ask yourself, "When are they going to come

In addition, many experts urge potential investors in an IPO to examine the performance of other IPOs

executed by the underwriter over the past 12 months

Ominously, perhaps, no IPO specialists queried

recently were aware of any major IPOs on tap for

later this summer. However, many expect AIDS-

related stocks to emerge as a leading theme.

5 at \$11.50. It is now trading around \$15.

back in favor?" " says Mr. Klugel.

By Phil Roosevelt

HE Xerart Corp. offered its shares to the public for the first time last April. The company had no sales, no earnings and still needed a complete market study. "We are very much a concept company," acknowledges Frank Pearson, president of the Markham, Ontariobased company

But substance often takes a back seat to a good idea, especially where the stock market is concerned. On the U.S. over-the-counter market, the price of Xerart's stock more than doubled by June 30 to \$7.50, making it the top-performing initial public offering of 1987's first half.

So what is the concept? Fine art for everyone. Xerart (pronounced zeer-art) produces detailed replicas of famous oil paintings, complete with raised brush strokes and oil-like surfaces, and expects to sell them to restaurants, hotels and the mass market for a

retail price of between \$450 and \$900 each.

"You're bringing paintings out of museums and
"to people's living rooms," says Kenneth Gerbino, a Beverly Hills investment adviser who hailed Xerart as "Stock of the Month" in a June edition of his Investment Letter. "I usually don't write about com-panies with no sales or earnings, but I just love this

The market for initial public offerings has long attracted investors seeking winning concepts or undiscovered value, and recent times are no exception. In the first half of 1987, investors gobbled up about \$14.8 billion of stock in 308 IPOs in the United States, compared to \$8.8 billion in 283 IPOs during the same period a year earlier.

Some of the biggest were closed-end funds, including the biggest ever, the Nuveen Municipal Value Fund which raised \$1.5 billion in June on the New York Stock Exchange.

Whether the year-end tally will top last year's record \$22.4 billion is still a subject of debate among IPO specialists. The chief uncertainty, they say, is the outlook for Wall Street's bull market, which celebrates its fifth anniversary this month. While IPOs typically do well during rallies when investors' speculative appetites are whetted, they can fall fast during broad retreats, as last seen in 1983.

Norman Fosback, editor of the Fort Lauderdalebased newsletter New Issues, espouses the bullish case for IPOs, predicting that the broad market will felimb 15 percent to 20 percent over the next six months. "I think this is an ideal time for individuals to look at IPOs," he says. "Individual interest will beat up as the bull market continues."

But Kevin Kimberlin, a vice president with the securities firm D.H. Blair in New York, is less sarguine. He predicts "a 400- to 500-point correction" in the Dow Jones industrial average, which could dry up investor interest, discourage companies from of-fering stock and clobber recently issued IPOs. "I think it's a time for extreme caution in IPOs," he

Indeed, there are some worrisome indications that the market's demand for new issues is slowing. Only 52 percent of the IPOs were trading above their offering price by June 30, down from 66 percent for the first half of 1986, says Susan Gallant, editor of Going Public: The IPO Reporter, a New York-based newsletter. Only 43 percent of the new crop outper-formed the broad Standard & Poor's 500-stock index.

As a result, market participants say, investor enthusiasm for IPOs has dampened in recent weeks "Many IPOs are getting a cool reception," says Thomas Weisel, a senior partner at San Francisco-based Montgomery Securities. "In order to get the deals done, underwriters are having to price the deals at substantial discounts."

they can, of course, be a boon to investors with nerves for the fickle IPO market and time to shop around. "There are probably some good deals out there at prices significantly lower than what they might have been a few months ago," says Ms. Gallant.

#### THE FIRST HALF'S HOTTEST IPOS

The five best-performing initial public offerings, in the first half of 1987.

COMPANY	BUSINESS	ISSUE DATE	OPENING PRICE PRICE JUNE 30
Xerart	Replicates oil painting	April 24	\$3.00 \$7.50
British Airways	Airline	Feb. 11	\$9.92 \$23.25
AMRE	Exterior home products	Feb. 26	\$16.00 \$31.00
Jethorne International	Aircraft support	May 20	\$3.75 \$6.68
Hospital Newspapers Group	Publishing	March 10	\$5.00 \$8.63

is a lot more interest these days in "basic salt-of-the-earth companies," says Mr. Kimberlin.

For example, he cites a company that his firm helped bring public this spring. Diverses of Spartan-burg, North Carolina. The company, Mr. Kimberlin says, "leases" labor forces to major corporations in the southeastern part of the United States, producing substantial costs savings to clients. Offered at \$6 a

Mr. Fosback of New Issues also counts some basic panies among his favorite IPOs, such as Timberland of Hampton. New Hampshire, a rapidly growing manufacturer of rugged footwear. That stock hit the market in June at \$14 and was recently trading at

INANCIAL services companies have also been well represented in this year's offering, though not all have fared well. The most prominent, American Express Co.'s offering of its Shearson Lehman Brothers brokerage subsidiary, came to market in May at the low end of the expected price range, \$35. The offering still proceeded slowly and recently the stock was trading at

Of course, there may still be some good opportunities in technology-related issues. The most sensational new offering of the year, in fact, has been Aldus Corp., a computer software company whose Page-maker product plays a key role in the explosive new field of desktop publishing. Responding to investor demand, the stock's underwriters raised the offering price to \$20, from a planned range of \$14 to \$16, but the stock still jumped to \$35.75 just two hours after trading began on June 16. It is now trading at about

This kind of phenomenon warms the hearts of so-called "flippers," professional traders who buy and sell IPOs during the first few days of trading. Often. the activity of flippers will drive up an IPO price by 5 percent or 10 percent within three days. But this kind of activity can be treacherous for the individual

"We think the best approach is to look for reasonably priced issues and hold them for a few years," says Mr. Fosback, adding that for most growing

Many IPO companies, unlike-Kerart, show established financial track records from their years as private entities. But even these companies rarely provide any information beyond a single prospectus; the investor does not have the benefit of comparing

"There's no way of seeing how well a company plans their business," says Alfred Kugel, president of Chicago-based Stein Roe Farnham's Discovery Fund of emerging growth companies. He recommends that investors with a bent for IPOs consider diversifying v as 10 issues in a range of

# Chemistry in Frankfurt

By Gail Schares

HEY will never be glamour stocks, but a number of analysts believe that the big three West German chemical stocks are as alluring now as they will ever

Analysts and fund managers expect Bayer, BASF and Hoechst to outperform the market during the next 12 months by as much as 15 percent to 20 percent, despite a run-up in their

prices since the beginning of the year. I put the chemical sector at the top end of the auractive list for the German market at the moment, especially if the dollar doesn't fall out of bed," says Nigel Ledeboer, investment

manager at GT Fund Management in London. David Elsmore, an analyst at Phillips & Drew in London. agrees: "The chemical stocks will be one of the strongest if not the best performing sector in Germany during the next six to 12

months. Of course, not every one is convinced that chemical stocks will improve so dramatically. Some fund managers who bought chemical stocks during the past eight to 12 weeks have now left the market. But bargain prices continue to focus an unusual

measure of attention on the traditionally staid chemical sector. While the dollar's steep decline on currency markets took its toll on many export-oriented industries, the impact was severe in the chemical sector. During the past year, a strengthening Deutsche mark virtually wiped out export profitability. Moreover, the disenchantment with German shares in general in the

first half proved especially punishing to the chemical sector. Nowadays, chemical stocks are priced at 8 to 9.5 times estimated 1987 earnings, well below the German market average of between 14 and 15, and less than half that of international competitors, such as Dow Chemical and Du Pont. "They've reached a point where they're just too cheap." says Mark Quilliam, chemical stock analyst with Salomon Brothers in

The dollar's recent stability could change all that. And already there is talk of improved export income. "Everyone knows the strong Deutsche mark is the principle negative influence on these companies right now. If the dollar reaches a or longer. A trend may emerge suggesting that the underwriter repeatedly overprices issues, which can boost the client companies' market value and the underwriter's fees but reduce investor's profit potenplateau, the turnaround in investor sentiment could be quite

rapid," Mr. Quilliam says.

The stable outlook for the German economy is another encouraging factor, with some analysis forecasting a growth rate of between 1.7 percent and 2 percent this year.

In the meantime, analysts are giving German chemical companies high marks for improved corporate strategies and balance sheets. After being battered by an industrywide recession in the early 1980s. Bayer. BASF and Hoechst have emerged from a painful restructuring stronger and well-positioned for

several years of steady growth, analysis say. In general, the West German chemical giants have moved away from commodity and raw-material products, adding specialty products with wider profit margins. This diversification should make earnings less vulnerable to downturns in the

economic cycle. At the same time, Bayer, Hoechst and BASF have slashed financial debt and negative interest payments and turned in better-than-expected first-quarter performances for 1987. Meanwhile, demand for chemical products has defied the normal summer full and remained strong, while capacity utilization is holding steady at a healthy 85 percent.

"The quality of earnings is better now," says Madelaine Hall, manager of the European fund at Schroders Fund Management in London. "They will still be eyelical companies, but they are

LTHOUGH the stock prices of Bayer, BASF and Hoechst generally move in tandem, most analysts and fund managers recommend Bayer as their top choice while citing its well-developed consumer prod-uct mix (over 30 percent) and strong pharmaceutical division. Bayer also is the least expensive of the big three, at about 8.4 times estimated 1987 earnings. Hoechst and BASF are both selling for about 9.5 times earnings.

Moreover, the introduction of three new cardiovascular drugs and an expanded sales force are expected to boost sales beginning in 1988. The new drugs alone are expected to contribute about 20 percent to total group profits by 1989.

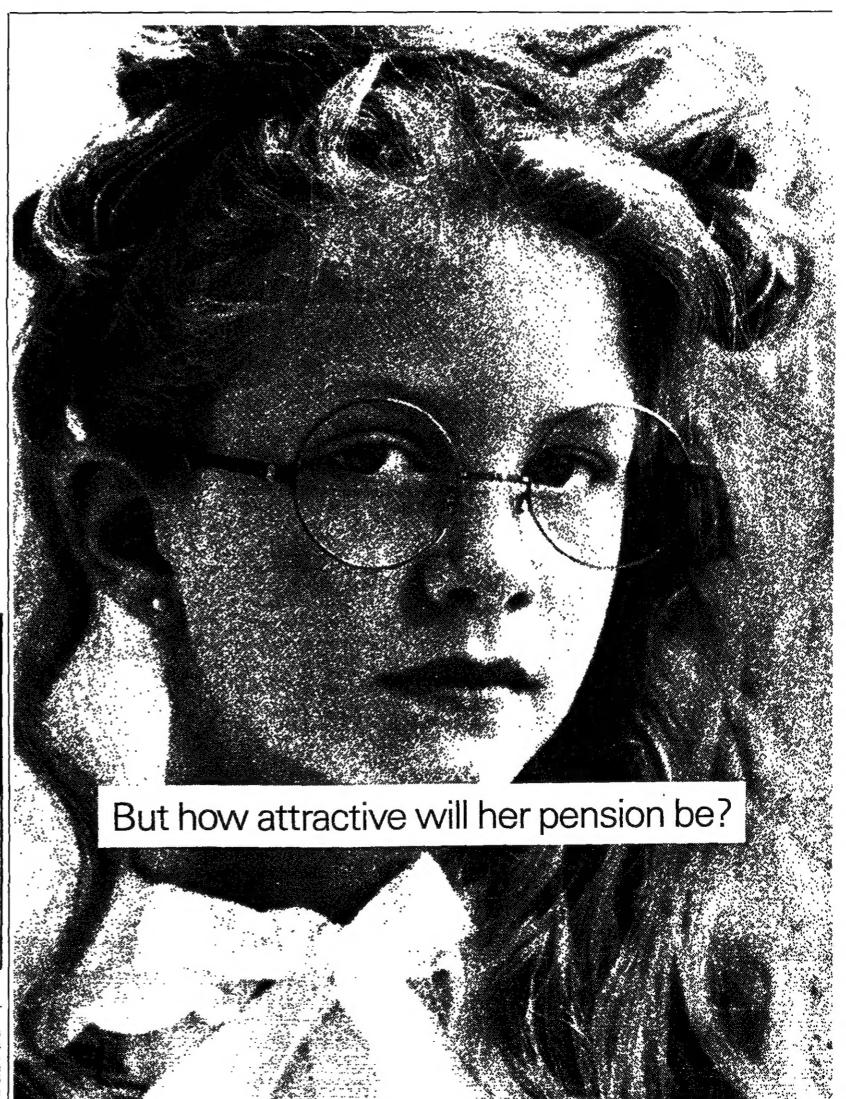
The price of Baver, which traded at a low of 265 DM in January, has risen more than 35 percent, thanks in part to the German market's recent strength. Pretax profits in the first quarter were up 3.2 percent at Bayer, but 1987 earnings are expected to dip slightly to 40 to 42 marks per share.

Analysis were divided on ranking Hoechst and BASF. Hoechst's future earnings are expected to benefit from the purchase earlier this year of Celanese, a diversified U.S. chemical firm specializing in fibers.

Hoechst's stock hit a low of 230 DM a share in January, but has made a strong advance since then. Pretax profits for the first quarter were up 5.7 percent, and analysts say 1987 per-share earnings will range from 29 to 31 DM.

BASF is favored as a short-term play. The company is expected to profit from rising oil prices, analysts say. But its heavier emphasis on raw material, bulk chemical and petro-

hemical products make it a riskier long-term investment. BASF's stock hit a low of 240 DM at the end of January, but has made substantial gains since then. Pretax profits in the first quarter were up 3.2 percent, and analysts estimate 1987 earnings will be 28 to 34 DM a share.



If Deutschmark investments are part of your pension fund strategy, you are familiar with the variety of DM instruments available. But, there are subtle differences in yields, liquidity, maturity, and depth of the market. There are yet other considerations which may require tailor-made solutions.

Our experts in Düsseldorf and London would like to talk to you about them. WestLB is one of the leading German banks issuing DM bonds. After all, we have over DM 60 billion in circulation worldwide. When the future of young people is at stake, make sure your plans include WestLB.

**WestLB** The Westdeutsche Landesbank.

Düsseldorf Herzogstrasse 15, 4000 Dusseldorf 1, Telephone (211) 82601, Tele+ 8582 505

London 41, Moorgate, London EC 2R 6AE, Telephone (1) 638 61 41, Teley 887 984/5

# Conflicting Signals for New Issues

Certainly, there are pleasy of choices for investors ho want to take a crack at the growth potential of IPOs. While high-tech issues often are the most prominent because of their dazzling promises, there

substantial costs savings to clients. Offered at \$6 a share, it recently traded at around \$8.

investor and, as a result, most experts counsel indi-viduals to view IPOs as long-term investments.

companies, a price-earnings ratio of about 20 is

previous company documents.

In June, Mr. Klugel bought shares in ECAD, a leader in computer-aided design. The company went public June 10 at \$8.50, and then slipped below \$7.50. It was trading above \$8 last week. "It's been a bad market for small technology issues. But we think

ing lake

# How to Play the China Card

#### Continued From Page 7

began by targeting Japanese com-panies — JVC, Hitachi, Sony and others - that could effectively extend mature product cycles by sell-ing into China or relocating capital

equipment there.

The other principal components for both China & Eastern and the Gateway fund were Hong Kong companies with strong prospects to the north Mr. Compton notes Hopewell Holdings, a property de-veloper; Burwill International, a commodities trader; China Light & Power, which sells about 15 percent of its output to the mainland, and Jardine Matheson, the diversified

"As with any concept, you want to invest in what will benefit from il." Mr. Harding says. "It was clear

it." Mr. Harding says. "It was clear to us that the way to play China was to buy Hong Kong."

Beijing's late-1985 clampdown on consumer imports and the resur-gence of the Hong Kong market last year have altered the shape of both funds. As if in unison, Mr. Harding and Mr. Compton cashed out of the Tokyo market, at least partly, and focused still more

heavily on Hong Kong.
In some respects, the Thornton fund is hardly distinguishable at the moment from any other Hong Kong unit trust: Properties account for almost half of Gateway's \$116 million portfolio, the hongs an additional quarter and local utilities

Apart from his share in Rockha-ven, however, Mr. Harding has also placed 8 percent of the Gateway fund in Chinavest NV, which is managed by the Orange Nassau investment group and has China-related holdings, and Tian An. a Hong Kong-listed developer with projects in Shanghai. Beging, and several smaller mainland cities. China or no China, the Gateway

fund appreciated by 64 percent last year, its first full year of operation, compared with a 47 percent rise in the local Hang Seng Index. In this year's second quarter, the fund was



Harding: There's no such thing as a direct play.

up 19 percent, beating the Hang ing by two percentage points.
"The China angle looks like a gimmick when the Hong Kong market is running as it is now, Mr. Harding acknowledges. "But we'll look much different as time

Similarly, China & Eastern's \$40 million in capital is about 70 percent invested in Hong Kong stocks and 15 percent in Japan. In both markets, however, the focus on China-related businesses is more pronounced. The rest is invested in

iquoted mainland ventures. The important thing to remember is that the speed of change in China is still well ahead of people's perceptions," Mr. Compton says. Based chiefly on its quoted in-

vestments, China & Eastern was company listed in Britain last year. Issued at 92 cents, shares now have a net asset value of about \$2.45 each; they trade on the London Stock Exchange at roughly 140 pence (\$2.21).

China & Eastern's structure re-

flects the risk involved in its China stakes. As a quoted investment company with a fixed number of shares, the directors are able to operate within a stable pool of capital that will not shrink overnight if. say, a key reformist in China catches a cold. By contrast, a unit trust would have to sell assets to meet redemptions demand, which could pose problems if its holdings

# A Modest Rebound

REAL ESTATE

By Cynthia Catterson

In U.S. Farmland

GRICULTURAL property in the United States has hardly proved a hor investment in recent years as hundreds of farms failed amid a worldwide slump in commodity prices. By some estimates, the value of American farmland has declined as much as 60 percent since the carly 1980s.

Lately, though, there are signs that the decline has slowed and almost halted in some areas, according to the U.S. Department of Agriculture and regional Federal Reserve Banks. There have even been modest price increases in a few regions, particularly the upper Midwest. Observers credit changes in U.S. tax laws, reduced fuel and production costs and moderating interest rates for help-

Not surprisingly, investors, some of whom are looking for places to stash their stock market profits, have taken an interest in farmland. Benedict T. Palen Jr., whose Denver firm. AgriCapital Corp., specializes in farmland investments, says the number of inquiries is up more than 50 percent in the last six

"Now is probably the time to step in and

pick up bargains," he says. Otto Sprenger, president of the Realtors Land Institute in Chicago, cites the owner of a parcel in northern Illinois who paid \$1,750 an acre for it last fall and recently turned down \$2,100 because he had already received a better offer. "Two years ago, the market for farmland was so devastated that it wasn't just a matter of how much a landowner could get, but whether the property could be sold at all."

Mr. Sprenger recalls. But, as farmers know all too well, agricultural property still has its share of risks. "Poor crops, lower commodity prices and cuts in federal farm subsidy programs can rapidly deplete the investor's returns," explains Colin Halfwassen, president of Halfwassen & Associates, a real estate farm management firm in Champaign, Illinois.

Although there have been more transactions since the spring of this year than there were in the past few years combined. Mr. Sprenger says, prices are still low. In inflationadjusted terms, farmland prices are at their lowest level since 1965, according to the Agriculture Department.

"Buying farmland means being a bit of a contrarian. People have to look under the clouds and see that the fundamentals have improved enough to make an interesting investment," acknowledges Mr. Palen of Agri-Capital, which has channeled about \$6 million into farmland since the company was founded

in 1979, most of it in the last three years. Land specialists note that values have fallen to the point where the returns on agricultural properly are better than those on short-term money-market instruments. Prime farmland can yield as much as 10 percent annually. while at the same time giving the investor the

chance for a capital gain.

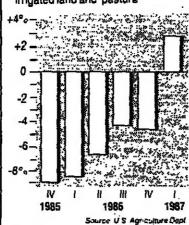
Aside from cash flow from crop sales, investors are finding that agricultural property sometimes has other attractions, such as oil, gas and water rights. Investors are also attracted by the notion of real estate as an inflation hedge and expectations that commodities prices may rise.

Though traditional tuyers of farmland are wealthy farmers who plan to farm the parcel or lease it out, a growing number of limited partnerships have been organized for nonprofessional investors. A partnership organized by Mr. Palen's firm, for example, requires a minimum investment of \$10,000. AgriCapital takes care of all the details associated with managing the farm, from hiring the farmers to taking the crop to market.

Investors can choose how to structure their participation. The most profitable and popular arrangement is known as custom farming, in which the investors assume all the expenses and reap all the profits.

Simpler, less risky and less profitable agreements are cash leases and bushel leases. With cash leases, investors are not involved with the actual crops or proceeds and therefore have limited upside potential. They are merely investing for long-term appreciation of the farm property. With bushel leases, also known as

#### Turnaround in the **Upper Midwest** Percent change in farmland prices by quarter in Minnesota Iowa. Nebraska and Missouri. Excludes irrinated land and pasture



crop share leases, investors share costs with the landowner and get a percentage of the crops. The only expenses they pay are proper-

Investing in farmland is a long-term com-mitment to an illiquid market. While many farmland experts are predicting dramatic increases in property values, they insist that investors have the patience of a farmer. The waiting period for big payoffs can be greater than 20 years, they say.

#### The Risk in Raw Land

While some investors are drawn to farmland, others have been tempted recently to buy limited partnerships in so-called raw land near urban areas. This is undeveloped property that is purchased by a syndicator with the intention of turning it over in two to five years to developers for apartments, offices, shopping centers or industrial parks.

The syndicators sometimes install water and electrical services and obtain zoning approval from local governments for potential development so that developers can simply buy and build.

Unlike farmland, raw land has not depreciated over the past few years. Investors are speculating that the property's value will in-crease substantially because it is near a growing city. "With raw land, you are investing in a hope and a prayer. It has nothing to do with current land values." says Elizabeth Roberts, president of Van Kasper Advisers, a San Francisco-based investment firm.

If the plan works, investors stand to make returns of 30 percent to 200 percent, say syndicators. Limited partnerships from established syndicators, such as The Heartland Group in Seattle and Bennett Consolidated in San Ramon, California, typically require a down payment of \$10,000 to \$15,000, with annual payments of about the same amount to cover taxes, interest payments and improvements. These payments continue until the

property is either sold or paid off. Other dicators offer less costly shares.

The big risks are that the highway the investors expected to be built never materializes or that local authorities do not approve the parcel for development. One plan was thwarted because environmentalists found an endangered butterfly on the property.

Sometimes the urban sprawl just gives out. "Investors have to be extremely careful about how far out in the boondocks the land is," cautions Robert W. Fitzpatrick, president of Teachers Management & Investment Corp. in Newport Beach, California.

If plans go awry, raw land can turn into a raw deal. Investors' money can be tied up a long time in taxable property that earns no income. Ms. Roberts notes: "Raw land is to commercial property what high-risk growth

stocks are to blue chips."

Alan Crittenden, a publisher of real estate newsletters, sees trouble ahead for these deals as housing starts taper off. "Last year predevelopment land was a great idea." he says. But raw land deals rely heavily on a housing boom, which has already come and is on its

Farmland seems a better bet, he says. "Investing in farmland now is like investing in housing in '82 to '83, when it was at its all-time low," he argues. "If farmland hasn't hit bottom yet, we're close enough."

Cynthia Catterson

#### STRATEGY =

### Betting On a Dollar Rebound

a fairly resilient dollar have convinced some investors that the U.S. currency has bottomed out. For dedicated dollar bulls, the introduction of 10 currency warrants on the American Stock Exchange offer an easy way to bet that the longterm trend will be upward.
Issued by the credit subsidiaries

of blue-chip corporate names such as AT&T, General Electric and Ford Motor, the warrants all have the same form. For prices ranging from \$2.63 to \$4.38, each warrant allows the holder to buy \$50 of Deutsche marks or Japanese yen at a fixed exchange rate, called the

All the warrants expire in either June or July of 1992, and can be exercised in loss of 2,000. A minimum lot of warrants quoted at 23.50 each would cost \$7,000.

The strike prices are set above prevailing exchange rates for the dollar at the time of the issue, though the dollar has already risen beyond the strike prices of some yen warrants. The terms of the warrants, as the underwriters acknowledge in the prospectuses, are not as attractive as those available to big institutions that play the foreign exchange markets. Indi-viduals, in effect, pay extra for the convenience and simplicity of the

One attraction is that they are traded and quoted by a major exchange, unlike warrants issued in the Euromarket. The structure is also simpler than the currency options traded in Philadelphia and Chicago, which have multiple strike prices and expiration dates. Expiration dates on those options only extend for about a year.

Investors in the Amex's six yen warrants and four mark warrants are betting that at some point before expiration the dollar will be significantly higher than the strike prices. For the warrants to have value, the dollar must move far enough beyond the strike price to cover the cost of purchasing the

Calculating the exchange rate at which the purchaser would break even gives some indication of how long the odds are. For example, a week ago, General Electric's yen warrant, which carries a strike price of 149.7 yen to the dollar, was quoted at \$4.75. The dollar quoted

#### Market Scoreboard

Stocks on the New York, London and Tokyo exchanges that showed the largest percentage gains and losses in July.

SAME SAME	WE-25	10774	Care	ent Price
Service Trans. Street Professional St. Street Service William	Percent Gain	Price July 31	L	yer July
New York Stock Ex	CURING.	Grices	by dollars	
Compiled by Media General	Financial Se	Michel Lives	N. Com-	
	82	23.00	Fmery Air Freight	26 12
Lamaur inc.	52	48.50	Fovergomental Systs.	20 15
McInture Mines Ltd.	50	62.13	Countryvade Great	20 10
Jim Walter Corp.	47	69.25	Hishear industries	20 18
Newmont Mining Corp.		28.25	Universal Matchbox	19 11
Amax Inc.	37	47.75	Purolator Courier	18 39
Day International ·	37	47.00	United Illuminating	18 22
FMC Corp.	37	51.75	PACO Pharm Services	18 19
Reynolds Metals Co.	37	48.25	Barry Wright Corp.	17 1- 15
Phelps Dodge	35 35	43.25	Unitrode Corp	16 1.1
Kenner Parker Toys	. 33	.4520		
4.0				
American Stock Ex	cuange:			-
Jacobs Engineering	58	16.00	Riedel Environ, Tech	32 16
Pauley Petroleum inc.	41	18.63	Ketchum & Company	30 - 15 24 - 11
Cominco Limited	40	17.13	Color Systs Tech.	
Echo Bay Mine Ltd.	39	24.63	ESN Corp.	
Taiwan Fund Inc.	36	44.00	Home Shopping Net.	19 11 15
Over the Counter:			and the second of the second of the second of the	
late dans Comtame	261	25.75	Perception Technology	39 10
Interface Systems Great Western Savings	88	15.50	Clarson Int'l Corp.	31 11
Parisian inc.	73	30.88	Alliant Computer	31 - 19
Hi-Port Industries	70	17.00	Dominion Fed. S&L	30 10
Alcor Incorporated	69	22.63	Sym Tek Systems Inc.	29 - 13
acci alcorporated .				
London Stock Excl				
LUINUII SWOK EACH	ieriAe.		nair in incomina	
Compiled by Morgan Stanle	A Cabital Iun	ATRICO MIL PTO	many the best graph.	The state of the s
Hill Samuel	42	690	BSR International	15
	41	539	Hammerson Property	13
Morgan Grenfell	41	305	Plesser/	
Babcock International	38	1.406	Great Portland Estates	7 <b>9</b> 1 7 17
RTZ (Rio Tinto-Zinc) Octopus Publishing	34	505	Calor Group	7:
	33	378	Pleasurama	7
Costain Group DeBeers (S. Africa)	30	952	Legal and General	6
LIPSENTS (3. AITKEL)	20	382	Thorn-EMI	6 1 1 7 - 17

#### Schroders LASMO Northern Foods Tokyo Stock Exchange:

Storehousse

Complied by Morgan Stanl	ey Ca	pital in	еттер	ons). P
TDK		32		5,350
Hirose Electric	:	. 28		1,500
Banyu Pharmaceutical	·** /	- 27.		1,750
Hitachi Sales		- 27		3,508
Joshin Denki	, 1	23		2,590
Murata Manufacturing	٠.	22		3,370
AMADA		21	1.11	1,140
Nippon Light Metal		- 21	PM. 74	505
Nippon Chem-con		20	1,12	1,300
Dairuku		20	: د	986

warrant would be worth \$6.15. hardt, so the "U.S. retail investor is.

So far, investor interest has cen- sensitized to the yen."

rices in yen 1,410 2,290 2,020 2,200 1,150 2,200 Takyo Corp. Tohoku Electric Power Shikoku Electric Kyushu Elect Power Chugoku Elect, Power Nippon Credit Bank 13.900 2,090 Kyowa Hakko / Ferment Keihin Elect Express

Legal and General. Thorn-EMI

Kwick Save Discount

that day at 151.5 year, just over the strike price.

Thus, the year would have to Co., which underwrote the faist more gradual than the year. Investment more than 8 percent—four convency exchange warrants the best than the year. Investment perchased on Aug. about world trade frictions have odds seem better that it will expense would have value. If the year tended to fours on the U.S. Japanetic that it will expense that it is necessarily to 120 to the dollar, the percent world to 120 to the dollar to 120 to the dollar, the percent world to 120 to the dollar to 120 to the dollar

# N \$ MILLIO

#### Strike it rich in Canada's Favorite Lottery. You pick your own numbers playing Lotte 6/49

That's right ... you can win millions by picking your own numbers playing Lotto 6/49—Canada's most popular Government Lottery. In fact, last year Lotto 6/49 paid out \$354,736,589.00 in ALL CASH PRIZES. And it's all free of Canadian taxes. There are two draws each week for a grand prize guaranteed to be not less than \$1,000,000.00 with many millions more in secondary prizes. Grand prizes often run into the millions and have been as high as \$13,890,588.80. Imagine what you could do with that much cash! This is your opportunity to find out because now you can play the lottery that's making so many millionaires in Canada.

#### WHAT IS LOTTO 5/49?

Lotto 6/49 is the official Canadian version of Lotto—the world's most popular form of lottery. It's the lottery in which you pick your own numbers and it's called "6/49" because you select any 6 of 49 possible numbers from 1 to 49. Your numbers are entered in the Lotto 6/49 computer system and if they match the six winning numbers chosen in the draw-you win the grand prize. Or if you have only 3, 4 or 5 numbers correct you win one of thousands of secondary prizes available.

#### HOW CAN I PLAY?

Complete the attached order form and send it to Canadian Overseas Marketing along with the necessary payment. We will enter your numbers for the specified length of your subscription. You may select from 1 to 6 games for 10, 26, or 52 weeks. Each game gives you \*Canadian Overseas Marketing is a private company. The prices quoted herein include handling and mailing costs.

ORDER TODAY!

YOU wish to play

numbers on each game board

another chance at the grand prize for every draw in which you are entered. You receive a "Confirmation of Entry" by return mail acknowledging your order and indicating the numbers you have selected as well as the draws in which they are entered.

#### HOW DO I KNOW WHEN I WIN?

You will be notified immediately when you win a prize of \$1,000.00 or more. Also, a complete list of all winning numbers will be sent to you after every tenth draw so that you can check along the way to see how you are doing. At the expiration of your subscription you will be sent a final statement of your winnings. All prize money will be converted to any currency you wish and confidentially forwarded to you anywhere in the world. So mail your order today—the next big winner could be you.

PRIZES	NO. OF PRIZES	PRIZE VALUE
IST PRIZE	1	\$13,890,588.80
2ND PRIZE	10	8443,481.50
SRD PRIZE	718	63,704.70
4TH PRIZE	48,917	\$139.30
STH PRIZE	965,112	\$19.00
1,014,756	TOT/	1. PREZE VALUE 7,443,228-10

1st, 2nd, 3nd, and 4th prizes are calculated on a percentage of the total prize pool. Since the prize pool flucturates from draw no now price pool. Singe the prize pool fluctuates from draw to draw, the size of the prizes will vary from the size of the rizes shown shape.

Canadian Overseas Marketing † P.O. Box 48120, Suite 1703-595 Burrard St., Vancouver, B.C., Canada V7X 1S4

Telex: 04-507822

wnen	1 rouble	a com	panies	Offer Right
			The St. Mr. 1875	
•				the frequency of the second frequency of the second of
	· donle hours halos	and annual rest office of the state of the s	and the same of th	the transfer of the state of the state of the state of

By John C. Boland

AST month, the Banc-Texas Group, a beleaguered Dallas-based holding company, com-pleted a huge financial restructuring that swung its net worth from a negative \$98 million to a positive \$90 million.

The mechanics included a \$150 million infusion of capital from the Federal Deposit Insurance Corp., the forgiveness of substantial debt, and, perhaps most bewildering to the average investor, the use of a little-known financing technique called a rights offering which enables existing stockhold-ers to purchase additional shares at a discount from the market

Rights offerings, popular in the 1930s and 1940s as a capital-raising tool, were used by utilities into the 1960s. But they had almost vanished until a group of British investors began using the concept here in financial rescue packages. As applied by the Hallwood

Group, a New York-based financial company controlled by European investors, rights deals are ey and having another go?"." usually part of a last-ditch attempt writer for a rights offering by the GCA Corp., a wobbly maker of

In contrast to a \$50 million negative net worth on March 31, GCA

Brock Hotel Corp. and less suc-cessfully, Radiation Technology and Saxon Oil. "We've done six or seven over the last four years," says Robert M. Davies, a Hallwood executive vice president.

For shareholders, rights offerings present a puzzling array of choices, with little time for study. The huge prospectuses can be daunting. "You've got to be a fairly sophisticated investor to plow through a complex document."

Mr. Davies said. And as the dismal market action

of Radiation Technology and Saxon Oil attests, a company's prob-lems may not be solved by a onetime capital injection. Because of poor management or competitive problems, the company may weaken again as the cash dwindies. Thus an investor buying more shares may be throwing good money after bad.

Mr. Davies acknowledges a psychological hurdle to enticing exist-ing shareholders to buy. "They've usually lost money by the time we : get involved," he says. "And we go to them and say, We're going to revive this company, and how about putting up some more mon-

If rights are not exercised, the to revive failing companies. In underwriter and private investors March. Hallwood acted as under- it has fined up stand ready to buy leftover shares. For its efforts, Hallwood often gets part of the equipment for semiconductor reorganized company — 14 permanufacturers. 12.5 percent of BancTexas.

One reason the investors conrecently sported positive equity of fronted with rights offerings must \$80 million, said Roger M. Bur- act quickly is that the terms estabzun, its general counsel. Earlier lish a price discrepancy - in el- holders received one new Banc-

fect, two prices for the same stock

— that professionals rush to exploit. Especially in the rescue operation, the exercise price to buyshares via rights may be drastically lower than the prevailing price at which the common has been trading. This means that a rights holder can sell stock he owns and buy it back at a lower cost by exercising the rights.

When enough holders do this, the market price of the common is driven down toward the rights exercise price. As that happens, the value of the rights erodes, often approaching zero near expiration. With BancTexas, the decline was particularly swift.

N June 15, BancTexas closed at 37.5 cents a share on the New York Stock Exchange The next day, as the shares and the rights traded separately, the common opened at about 10 cents. At their low, the shares traded at slightly more than 7.8 cents. The tights sank from a high of 125 cents to less than half a cent.

"The market does adjust," said Richard Brancher, corporate counsel at BankTexas.

But for the average invesior to recognize all the adjustments that might occur is a challenge. The BancTexas offering gave holders of each share six rights. But the rights-exercise example in the pro-spectus said that each four rights entitled a holder to buy 24 shares at 75 cents each.

On July 20, the final step of the transaction took place — a mas-sive reverse split under which

50 shares held previously or as oursed by the rights. By mid-week the new stock was trading at \$3.75. Investors who exercised the rights and rode through the confu-sion got a relatively undilated stake in the company, acquired at 60 percent of the new book value. of about \$5.40 a share.

Mr. Davies considers that attractive, adding that, after major charges taken in 1987's first half-BancTexas boasts "strong lossloss reserves, a low-cost branch system" and a balance sheetstrengthened by an infusion from the FDIC equivalent to \$3.80 2.

But participating in the restructoring required investors to put up new capital many times the value of their investment preceding the deal. The stock's high in the week ended June 12, just before the rights were issued, was 62.5 centre-which gave 1,000 shares a value of \$625. But to exercise all the rights received on 1,000 shares would have required a payment to the company of an additional \$2,700.

A holder who does not want to put up the extra money to exercise the rights should sell the stock before the rights are issued, brokers say. A Banc Texas bolder selfing out in the week ended June 12s. for example, might have got \$625 for 1,000 shares at the week's high

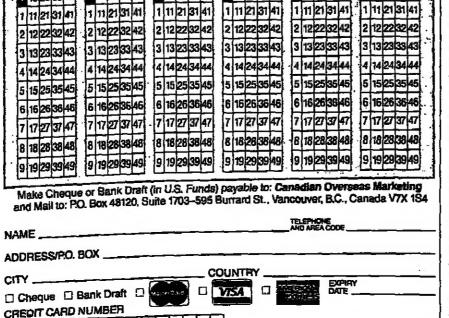
or \$375 at the low.

By last week, an equivalent pos stion could be bought for \$75. Is you're going to sall, the it fast, says a broker who played the BancTexas restructioning.

O 1987 The New York Time

FREE BONUS PROLUDES 2 DRAWS 10 WEEKS 26 WEEKS 52 WEEKS (20 Draws) (52 Draws) (104 Draws) ☐ \$ 45. ☐ \$112. ☐ \$ 225. 2 Games □ \$ 90. □ \$225. □ \$ 450. 3 Games □ \$135. □ \$337. □ \$ 675. 4 Games ☐ \$180. ☐ \$450. ☐ \$ 900. 5 Games □ \$225. □ \$562. □ \$1125. 6 Games ☐ \$270. ☐ \$675. ☐ \$1350. VALID ONLY WHERE LEGAL "NOT AVAILABLE TO RESIDENTS OF SINGAPORE" 'Y! 93

PICK YOUR PLAN — Check only one box below next to the option of your choice ALL PRICES IN U.S. PUNDS



CANADIAN OVERSEAS MARKETING ORDER FORM

EACH BOARD = 1 GAME MARK 6 NUMBERS ON EACH BOARD YOU WISH TO PLAY

Torism Play

no Year Home

The state of the s

The State of

1 2 2

: : :::;

\* 12.5

7.5

2 ...7.

· <u>\_\_\_</u>3

1.022

- 1.7 <u>- 12</u>

-1.5%

2.72

44.

. . . . . . . . . . . . .

----

1 3 H

Salar Barakan

No. of Particular September 1

- . 274.25

The Mark

11 12 2 3

10.00

#### **EUROBONDS**

# Bank of England Sentence **Punishes Sterling Sector**

By JONATHAN ENGEL Crautional Herald Tribun.

ARIS - Faced with a youthful criminal offender, British authorities often administer a short, sharp shock - such as a brief stay behind bars. On Thursday, the Bank of England meted out the equivalent restraint to the barreling British economy, and the 1 percentage point rise in interest rates was definitely a shock.

But whether this reversal in its monetary policy will be short, or indeed sharp enough to contain the stated threat of higher inflation, remains an open question.

Economists were also puzzled over just why the central bank moved so suddenly. However, many now believe that the authorities finally heeded predictions

The British

bank rate rive

figures ahead.

chancellor denied the

signaled poor trade

that a rate rise was necessary to slow down the consumer spending boom that easier rates had helped stimulate ahead of the June general elec-

In the midst of all this confusion, the response from the sterling bond markets was unequivocal. With major British

banks following the central bank's lead by boosting their base lending rates to 10 percent from 9 percent, prices of British government bonds and sterling Eurobonds plunged. As of Friday, they showed little sign of recovering ahead of the space of economic indicators due this week, many of which are expected to show a rise in inflationary pressures.

Otherwise, as the international bond market anxiously awaited the U.S. Treasury's quarterly refunding, the other major market news concerned the rejection by banks of a novel proposal to repackage their holdings of perpetual floating-rate notes.

The Bank of England's move was initially interpreted by many

analysts as a pre-emptive strike to bolster sterling ahead of the June trade figures due Tuesday. In May, the key current account balance, grouping merchandise trade, services and many finan-cial transfers, had dropped to a surprise deficit of £561 million. largely on a sharp jump in imports. Many economists had expected this broad measure of trade to break even, or register a

HIS trade news battered sterling, as it indicated both a large supply of pounds overseas and the need to lower the exchange rate to improve trade performance. At the same time, the belief that a lower pound would increase costs of imported goods and thus prove inflationary helped underent a, prices of stocks and bonds, especially as the figures followed big increases in bank lending and retail sales for June, two other inflationary indicators.

On Thursday, believing that the central bank knew more bad figures were on the way for June, investors again dumped British sovernment bonds and sold shares. The government's benchmark 11% percent bonds due 2003/07 fell about 3 percentage points to 113 12/32, then fell another point on Friday before recovering alightly to 113 22/32. Dealers said the late rebound reflected market participants' closing out their speculative sales to take profits, rather than much fresh buying.

Sterling Eurobonds, being a less-liquid market, suffered less,

although prices were down around 2 points on Thursday, and closed unchanged Friday after originally extending the losses in morning trading.

Nigel Lawson, chancellor of the Exchequer, said the interest rate rise was intended to keep infliction low at Asime when the economy, by U.S. and European standards, is becoming. Growth in gross domestic product, excluding oil-related goods and services, is steaming along at 4.5 percent. Inflation, on an annual basis, stood at 4.2 percent in June.

Mr. Lawson denied that the move was connected to the upcoming trade figures. Yet some British economists, taking the phagoallog at his wood, detect upcoming trade for the property of th

chancellor at his word, detect unsettling trends for the economy,

and the sterling bond markets.

"To my suspicious mind," said Stephen Lewis, director of economic research at Phillips & Drew, the British brokerage, the good but that all the other figures will be quite bad." He is forecasting a current account deficit of £100 million, the low end of an analysts' range that extends to around £300 million.

He said he also believed the underlying reason for the bank's action was to quell "financial excesses." For example, speculation on the London Stock Exchange has inflated prices with little regard to fundamental share values. In fact, after the bank's move, the Financial Times-Stock Exchange index of 100 leading shares fell 91.2 points over two days.

Also, the war chests being raised domestically by several British companies to buy U.S. concerns will result in the export of large amounts of pounds for dollars, he noted, thereby complicating the government's attempts to control the exchange rate. Last

See EUROBONDS, Page 13

**Currency Rates** 

AFIRE LEGIAL 2314 41,0345 7,8672 LJTSJF 24619 47,8542

# Ongpin **Threatens** To Resign

#### Aide Says Manila Must Honor Debt

Compiled by Our Stuff From Despotches MANILA - Finance Secretary Jaime Ongoin has said he would resign if a law were passed repudiating part of the country's foreign debt. He said such a move could wreck the Philippine economy.

Reacting to proposals in Con-gress that the Philippines disown part of its \$28 billion debt, Mr.

Ongpin said, "I couldn't implement such radical change."

"They would have to find someone else," he said Samrday at a news conference.

He said nonpayment of debt would cause instability that would reverse any economic growth the country has achieved. Mr. Ongoin faces a Senate hear-

ing on debt on Monday.

Senators have filed bills that would limit annual debt payments to 10 percent of commodity export. earnings and suspend principal payments for three years.

About 45 percent of the cours export receipts go to the servicing of debt.

The legislative moves follow a speech on July 27 by President Corazon C. Aquino in Congress in which she sharply criticized the country's commercial bank lenders for having imposed what she de-scribed as still credit conditions.

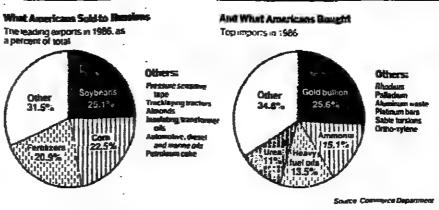
She stopped short of calling for debt repudiation but talk of such a measure has been rife among legislators since the address.

Mr. Ongoin said Saturday that repudiation would bring about limitations on access to credit, cancellation of trade facilities and erosion of investor confidence.

Several senators are seeking Mr. Ongpin's resignation, saying he did not defend the Philippines' interests when he signed an agreement with bank creditors July 17 re-scheduling \$13.2 billion in foreign

Legislators have also spoken in favor of repudiating part of the debt contracted during the term of President Ferdinand E. Marcos, (AFP, Resters)

#### The Flow of Goods Between the Soviet Union and the United States



#### Soviets Eagerly Eyeing U.S. Market But Their Manufactured Goods Face Obstacle Course

By Clyde H. Farnsworth

New York Times Service
WASHINGTON — The United States has just imposed a quota on some imports from a most unlikely country: the Soviet Union. Why unlikely? Because imports from the Russians in general are so small, totaling only \$601 million last year, and the product restricted -- a cotton fabric - accounted for only a minor portion of that.

The quota is the latest frustration for the Russians, who have been trying to increase their exports of manufactured goods to the United States. These include tractors, textiles, belicopters binoculars and excavators. And they would like to begin selling cars in the United States within

the next few years.

The Soviet Union is eager to sell more manufactured goods to the United States for two reasons: It wants to earn more dollars to raise its sagging foreign currency reserves, and it is one of the few countries running a mer-chandise trade deficit with the United States (\$650 million last

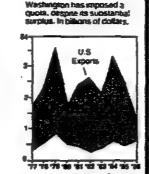
year).
"We are naturally trying to make our trade equal," said Ole V. Kozhevnikov, commercial minister at the Soviet Embassy and the Soviet Union's trade representative in the United States. Trade statistics in 1985, for example, showed the Soviet

Union imported about \$2.6 billion worth of U.S. goods, while Americans bought only \$600 million in Russian products. Since then, U.S. exports to Soviet

have fallen steeply. But Soviet exports to the United States, several long-standing obstacles seem to preclude any significant increase. One is that viet products have a reputation for poor quality.

The other is the Jackson-Vanik amendment, which allows unist countries to receive

U.S. Trade With the Soviet Union



most-favored-nation trading privileges only if they loosen re-strictions on emigration. Because the Soviet Union lacks most-favored-nation status, the tariff on its goods is 38 percent, compared with an average of 2.8 percent

levied on imports in general.
"We have made it clear that the administration and the American people view freer emi-

Union, mainly wheat and corn, gration and respect for human rights as fundamental concerns, which bear on possibilities for improving the trade relation-ship," said Franklin J. Vargo, deputy assistant commerce sec-

retary for Europe. Even so, the Soviet Union has had some initial success in expanding its offerings in the United States, which had consisted mainly of fertilizers, oil and related products, metals, other raw

In a marketing program that is little more than a year old, the Soviet Union has sold about 1,000 small Belarus tractors in the Farm Belt.

Some analysts believe that Moscow's purchase of 8 million tons of American grain in recent months may have made U.S. farmers more willing to buy Russian tractors.

"Our experience in tractors shows that American farmers were very happy to buy a prod-uct that catered to their needs with a price acceptable to them, and they didn't care where it was made," said Ara Oztemel, chairman of the New York-based Satra Corp., which sells Soviet products in the United States. Satra is an acronym for Soviet-American Trade.)

An U.S. trade official added: The thing gets sold. They are the right mix of price and simple орегаціов."

But as the Soviet Union has learned with textiles, efforts to sell manufactured goods in the United States can run into road-See TRADE, Page 15 -

# SEC Tries to Sharpen Definition of Insider Trading

WASHINGTON - The Securities and Exchange Commission, ending years of vagueness, has pro-posed a definition of insider trad-

The agency proposed language for Congress to use in writing a law that would state precisely the circumstance under which it is illegal to use confidential information to profit from securities trading.

The topic has become critical because of the recent insider trading scandal on Wall Street.

The SEC has always enforced commonly accepted notions of in- some experts suggested the omissider trading, such as when a direc- sion might mean that the SEC was tor of a company trades on infor- backing off from the standard. mation not yet available to other The standard was developed by investors. The definition, which the SEC after the Supreme Court

adopt that standard view. But it also tries to embrace other issues that courts have been grap-

but may also be softening an important standard under which some inside traders have been prosecuted. That standard is called 'misappropriation." The SEC has maintained that a

trader acts illegally whenever a trade is based upon nonpublic, market-sensitive information. Nowhere in the new definition is

the word "misappropriation," and

mond Chiarella, had not commit- sentation, electronic espionage, ted illegal insider trading by piec- and most important, breach of any ing together from financial "fiduciary, contractual, employpling with.

documents information about ment, personal or other relationtender offers and then trading on ship. The SEC is thus tying breach

For years, SEC officials would not offer a definition of insider trading, thinking that such a definition might be useful to defense attorneys looking to evade the law. Instead, the regulators relied on the broad prohibitions in federal securities law against fraud in securities

The SEC itself decided that a definition could close two impor-tant loopholes and help it prosecute insider traders.

ruled in 1980 that a printer, Ray- fined as theft, bribery, misrepre-

relationships. One loophole the proposed definition is intended to close is a provision under current law requiring the SEC to prove that a trade was made "on the basis" of illegal information. Many defendants claim that their trade was made using information that was commonly

> The new proposal would say simply that no one can trade while in the possession of illegal information, whether or not that is the basis for the decision to invest

# Buchsbaum, Citing Threats,

LOS ANGELES - Michael Buchsbaum, former chairman of Holly Sugar Corp., has said that a series of death threats against him and his family led to the failure of his \$133 million bid to take over the

Mr. Buchsbaum resigned Thursday after Holly's board terminated the merger agreement with his group, Arcanum I Partners. The board

hat he had received several death threats in the past two weeks, linked o the buyout.

This was Mr. Buchsbaum's second attempt to take over the second-largest U.S. sugar beet processor, based in Colorado Springs, Colora-do. He tried to take Holly private in a leveraged buyout in 1982, but ailed for lack of financing

takeover. His group had received \$80 million in financing commit-ments from National Westminster Bank USA.

nc., a New York investment concern that owned 10 percent of Holly shares closed Friday on the New York Stock Exchange at \$90.25, down 25 cents.

#### Mercedes-Benz is accustomed to Singapore GDP Ahead 7.4% awing a car supply of less than 40

SINGAPORE - Singapore's gross domestic product, adjusted for inflation, grew 7.4 percent in the second quarter of 1987, confirming the economy's recovery from a recession two years ago, the

government reported Saturday. The Trade and Industry Ministry said the growth compared with percent in the first quarter and 1.2 percent in the year-earlier quar-

"No." said Fred Chapman, a expected to be sustained for all the Mercedes-Benz spokesman. Mer- major sociors except construction, Auto industry analysts say the cedes-Benz is doing well, but the overall growth for 1987 is expected to be about 6 to 7 percent," the ministry said.

Last year, GDP grew 1.8 percent

after shrinking 1.6 percent in 1985. The ministry said that strong for-eign demand in the second quarter had helped stimulate the economy. Exports rosoto 14.61 billion Sin-

gapore dollars (\$6.91 billion) in the second quarter from 12.37 billion in the first quarter.



# Caledonian Says It Will Pursue **Merger With BA**

LONDON - British Caledonian Airways has decided to stand by its agreement to merge with British Airways despite a government investigation that could block objective. the transaction, British Caledonian's chairman, Sir Adam Thom-

The government decided last week to refer BA's £237 million (\$370 million) offer for BCal to the Monopolies and Mergers Commission. The commission must determine whether or not the merger will undercut competition in the airline

industry.

The bid lapsed automatically when the referral was made, although BA said it would seek to revive its offer if the commission made a favorable ruling. British Caledonian's board met Saturday and agreed unanimously to support

the inquiry.

The board's other alternative was to pull out of the agreement and look for another partner. Cale-donian, the second largest British airline after BA, had been holding exploratory talks with several foreign airlines just before the BA merger proposal.

Industry sources said last week that British Caledonian had held talks with Alitalia, KLM Royal Dutch Airlines, Air France, and American Airlines among others. Sir Adam said he was pleased

ing that a merger to form a powerful British carrier to compete against major U.S. airlines remained the company's preferred

But he said British Caledonian, which has been been losing money, was also keeping other options open. BCal reported losses of £19.3 million in the year that ended last Oct 31.

British Airways, recently sold to the public, has already said it will cooperate with the commission in the investigation. The commission will take three

months to decide whether the proposed merger, announced July 16, would hamper competition and therefore be against consumer in-

Critics of the merger said that if it had gone shead without an investigation, serious questions would be raised about the government's stated policy of encouraging competition in the aviation industry. Sir Adam said that if the com-

mission had been given longer than three months, the airline would have had to consider other alternatives. A long inquiry, he said, would have taken Caledonian into the period when it traditionally concluded bulk travel contracts with agents and tour operators

He said the program was neces-

sary to stop the flight of capital out of Peru and to end discrimination

in lending against the rural poor.

A court order last week suspend-

ed the government intervention while courts studied whether it vio-

lated bankers' constitutional rights.

On Friday, Mr. Garcia said he

would abide by the order. He said

the government would not act ille-

gally because "the reaction, the

right wing would be able to drive

other forces against the govern-ment and the democratic system."

Mr. García said he believed the

Congress, which is dominated by

his party, the American Popular

Revolutionary Alliance, would ap-

On Friday, the Peruvian Army

prove a nationalization law soon.

(Reuters, AP)

#### García Says Bank Move Poses Political Threat

LIMA - President Alan Garcia Perez has acknowledged that pushing forward immediately with the nationalization of Peru's private banks and financial firms could pose a threat to his government. After announcing that he would

suspend temporary government administration of the financial institutions, Mr. Garcia said, "I remember Salvador Allende, president of Chile, used to say 'Advance without compromise.' I am not going to make the same mistake." Allende was overthown and

"I will not allow Peru to arrive at a dramatic, tremendous dictatorship that kills many Peruviang," Mr. Garcia said in an interview on Saturday.

still backed the nationalization of the 10 private banks, six credit in-

Mr. Garcia imposed government control on the financial institutions

as an interim measure after he an-

nounced his nationalization pro-

gram on July 28.

also announced its backing for the nationalization plan.

"We are respectful of the constitution and the decisions of the supreme chief of the armed forces

and consequently must give our support and backing to all that his popularly elected government does," General Jorge Flores told the official Andina news agency.

Kaufman Sees Rising Prices,

Possible Recession in 1989 NEW YORK - Accelerating inflation in the United States could trigger a recession in 1989, accord-

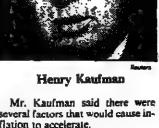
ing to Henry Kaufman, chief economist for the brokerage house Salomon Brothers and one of the most influential U.S. economic analysts. "I think we have probably seen the low in the inflation rate. There are chances inflation will go higher," Mr. Kaufman said Friday.

He said he thought the expansion of the U.S. economy, which has been going on for five years. would end in late 1988 or 1989. "There's a high risk that late next year, or more likely in 1989, we will

see another downturn in the American economy," he said. "I think it will be triggered in part by the increase in inflation that won't be tolerated by the cen-

tral bank," the Federal Reserve, "and the government generally. "There will be higher interest rates, stifling of the availability of credit, the dollar problem will persist from time to time and that will contribute to it and then we face a

recession." Mr. Kaufman said. On Wednesday, the Reagan administration raised its estimate of the 1987 inflation rate to 4.8 percent, a full point higher than the 3.8 percent it estimated in January.



wages, interest rates would rise, the trade and budget deficits would continue to be large and international monetary cooperation would be hard to achieve, he said. Mr. Kaufman said that the Federal Reserve Board would be ham-

The increase in consumer prices

would result in demands for higher

pered in its efforts to control the economy because of the U.S. presidential election in 1988. The economist said that if there were a recession, the United States

would not recover as quickly as

#### ELOF HANSSON - THE GLOBETRADER®

The international trading house active in pulp, paper, machinery, chemicals, timber, building material,

textiles, foodstuffs, steel, consumer goods.

Olof Hansson Forsta Länggatan 19-21, S-413 27 Göteborg, Sweden Tel. +46 31 85 60 00, Telex 2530

Subsidianes in Barcelona, Basel, Beijing, Bornbay, Copenhagen, Orammen, Geneva, Hamburg, Helsinko, Hong Kong, Jakerta, London, Melbourne, Milan, New York, Paris, Sao Paulo, Singapore, and Tokyo. Sales agents in 110 countries.

Last Week's Markets All figures are as of close of trading Friday

Currency per U.S.s
Argen. acedered 2.01
Austrol. \$ 1.4285
Canadion \$ 1.222
Canadion \$ 1.222
Canadion \$ 1.222
Canadion \$ 1.2282
Canadion \$

t Sierline: 1,1058 (rish f

Sources: Indoquez Bank (Bru

				_			
	Stock Inde	ecces.			Money Bat	<b>86</b> Aug. 7	July 31
		Ug. 7	Ju ¥ 31	CITY	United States		-
	Office are		257207	+ 0.77 %	Discount rate	54s	
	DO HENGE	37204	201.75	+ 1.38 %	Federal funds ra		
		204.54	1 575 AG	+ 0.57 %	Prime role	. 894	248
	D3		21195	+1.71%	Japan		
		317.19	779.66	+ 1,36 %	Discount	21/2	29/2
	c a. P 500	123.00	272 24	+ 1.30 %	Call money	33/16	
	S&P Ind	378.21	179 44	+ 1.24 %	3-month interbu	ok 3%	350
	NYSE CP	150.67	170	, ,	West Germany		
	Britala			6 <i>0</i> 5 %	Lombord	8	5
	ETCE 100 2		2,360.90	7.27 %	Call money	346	. 3
	FT 30 1J	26.90	1,852.50		3-month Interber	uk. 4	4,05
s	Jopan			44 %	Britolo	÷.	
٩	Nikkel 225 3.5	55619 <sup>5</sup>	J79.24	+ 1.64 %	Bank base rate	1 16	9
1	Mikkar 2				Call money	_ B92	: 894u
	West Cermony		w.488.17	+1.28%	3-month interbor	ķ · * 5%	994
	Commerzbk 24.	10072 4			Deligr .	Aus. 7 July	31 (21/ye
	Hone Kond		607.00	+ 243 %	Bk Engl Index	104.90 103.7	5 + L14 %
	Hong Sens 20	129.30	יאי יפני!	,	Gold .		
	High						

# **Benz Bends on Rebates** To Clear Cars in U.S.

# Softer Dollar Forces Financing Move

By Wairen Brown

WASHINGTON - It is not the sort of thing one would expect of Mercedes Benz of North America. distributor of some of the most expensive and sought-after cars. Maybe that is why the company has made no public announcement.
But Mercedes-Benz is offering rebates on many of its leftover

1987-model cars. There is a catch: The rebates, ranging from \$1,000 to \$3,000, go to Mercedes-Benz dealers that have already exceeded their sales quotas for this year. Dealers, in turn, can offer some, all or none of the rebates to buyers of their cars, which have sticker prices ranging from

\$28,450 to \$59.580. If the Mercedes-Benz dealership is not eligible for rebates, the buyer can still bargain - since that dealership, in all likelihood, has an

oversupply of cars. Shoopers for more modest cars can count on sales incentives on most U.S. autos as well as some imports. Faced with an overall 75day supply of cars, the Big Three U.S. automakers - General Motors Corp., Ford Motor Co. and Chrysler Corp. - have all announced sales incentive programs with cut-rate financing as low as 1.9 percent. So far Subaru is the only Japa-

tives, using 3.9 percent loans and rebates of up to \$1,500 in an attempt to shrink its estimated 87day supply of unsold cars. domestic makers have offered in- company needs the incentives "for

nese manufacturer offering incen-

has never been the case with imports, least of all Mercedes. Susan G. Jacobs, vice president

and manager of automotive re-search at Merrill Lynch Economics Inc. in New York, said buyers of European-made luxury cars, lured by the stams as much as the quality of their purchases, often seemed willing to pay whatever dealers uked.

But the sluggishness of the U.S. economy, combined with steep price rises generated primarily by the dollar's decline, seems to be generating resistance among U.S. buyers of foreign cars in general the Merrill Lynch analyst said.

She said that prices of European luxury cars had risen as much as 8 percent since last October, adding as much as \$3,000 to some models.

having a car supply of less than 40 days in a market where a 60-day supply is considered normal. But Automotive News, an industry trade journal, reports that Mercedes-Benz has a 46-day supply of

BMW, the darling of affluent middle aged car buyers, is showing a hefty 73-day supply and offering financing as low as 6.9 percent, to sell off many of its leftover 1987, 300-series models. Acts of desperation for the high

and the mighty? centives so routinely that buyers an orderly cleanup of 1987 models" have come to expect them. But that in the U.S. market, he said.

#### The SEC proposal explains when information is "wrongfully" obtained or used. Wrongfully is de-

# **Drops Bid for Holly Sugar**

said the group was delaying the buyout.

Mr. Buchsbaum, who will remain a director of Holly, said Friday

An FBI spokesman said the agency was investigating threats "both written and verbal" leveled at the Buchsbaum family.

Some people familiar with the negotiations surrounding the bid for Holly were skeptical about Mr. Buchsbaum's resolve to complete the

One executive close to Holly said he expected Brookehill Equities Holly's stock on June 29, to revive its recent bid for Holly.

With the momentum of growth



Section of the sectio 1 19 1 19 5 10 1 16 Aug 1 Alexa Al Alexa Ale

Simple with the state of t

도에 하루 보는 사람들이 되었다. 그는 사람들이 되었다

Fixed Income and Equities Trading for dealing prices call:

Westdeutsche Lendesbank, Head Office, P.O. Box 1128, 4000 Düsseldorf 1 International Bond Trading and Sales: Telephone (21) 826 3122/8 26 37 41 Telex 8 581 881/8 581 882

One of the leading Marketmakers

# هلذامند لزمل

# New International Bond Issues

orism Pla

The state of the s

1 1/2 10

18 m

Sales Die Sea

THE THE MENT OF STATE OF

The second display

Compiled by Laurence Desvilettes

			_		<u> </u>	
ksuer	Amount (millions)	Mat.	Coup %	Price	Price and week	Terms
PLOATING RATE NO	)TES					· · · · · · · · · · · · · · · · · · ·
Council of Europe	Y 10,000	1994	1/2	100		Below Japanese long-term prime rate, semanaually, Noncol-
ENEL	Y 10,000	1992	0.55	100.40	_	Below Jospinse Jospinsm prime rate consumptible Cell.
FIXED-COUPON						oble at por in 1989. Fees 0.50%, Denominations 10 station yea,
Toyota Motor Credit	<b>\$150</b>					
Kredietbank	\$150	1990			99.90	Noncofiable. Fees 196%.
Eksportfirons	DK 300.	1991	10%	100%	99.00	Noncollable: Fees 196%,
EQUITY-LINKED	370	1994	10%	1011/4	99.25	Noncollable, Fees 1%%.
Daicel Chemicol Industries	\$100	1992	3¼	100	98.63	Noncollable. Each \$5,000 note with one warrant exercisable into company's shares at 784 yen per share and at 151,80 yes per dollar. Feet 216%,
Fujisawa Pharmaceutical	\$100	1992	3	100	100.00	Noncellicible, Boch \$5,000 note with one worrant exercisable into company's shores or 2,307 year per shore and at 151.80 year per dallar. Fees 246%.
Furukawa Electric	\$150	1992	open	100	98.75	
Grace (W.R.)	\$150	2002	614	100	99.38	
Hitachi Cable	\$ 60	2002	1%	100	100.00	Semiconwally. Collable at 103 in 1992, Convenible at 1,260 yes per share and at 152.70 yes per dallar. Fees 25%.
Kyowa Bank	\$100	2002	134	100	98.50	
Vitsubishi Bank	\$300	2002	1%	100	100.00	Semicentrally. Convertible at 3,157 year per share and at 151,80 year per dollar. Fees 24%. Denominations \$10,000.
Mitsubishi Metal	\$300	1992	3	100	_	Noncollable. Each \$5,000 note with one warrant exercisable into company's shares at 882 yen per share and at 151,40 yen per dollar. Fees 24%.
NGK Insulators	\$150	1992	3	100	97.50	Noncollable. Each \$5,000 note with one woment exercisable into company's shares at 964 yen per share and at 152,30 yen per dollar. Fees 24%.
Nippon Oil	\$300	1992	3	100	97.75	
One Pharmaceutical	\$150	1992	3	100	103.00	Noncollable. Each \$5,000 note with one warrant exercisable into company's shares at 8,118 year per share and at 152,30 year per dollar. Fees 24%.
Prima Meat Packers	\$ 70	1992	314	100	97.00	Noncollable. Each \$5,000 note with one womant exercisable liero company's shares at 697 year per share and at 152,70 year per dollar. Fees 24%.
Sanwa Shutter	\$ 70	1992	3	100	-	Nancollable, Each \$5,000 note with one warrant exercisable into company's shares at 1,056 yen per share and at 151,40 yes per dollar, Fees 24/%, Increased from \$60 million.
Showa Denko	\$200	1992	3¼	100	98.00	Noncollable. Each \$5,000 note with one warrant event/soble into company's shares at 620 yes per share and at 152,20 yes per dollar. Fees 24%.
Sumitomo Construction	\$ 50	1992	open	100	97.00	Coupon indicated at 3%. Nercollable, Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 25%. Terms to be set Aug. 10.
Takeda Chemical Industries	\$ 80	1994	орел	100	98.50	Coupon indicated at 45%. Nancallable, Each \$5,000 note with one worrant exercisable into company's shares at an expected 2696 premium, Fees 254%. Terms to be set Aug. 11.
Hillsdown Holdings	£ 150	2002	416	100	99.25	Redeemable in 1992 to yield 8.51%. Convertible at a 28% pretitum. Fees 24%.
WARRANTS						
J. Aron	0.010	1989	_	\$470		Put werrants each assentiable into 100 barrels of West Texas intermediate all of \$21.50 a barrel, Breakeven price \$16.80. Issuer is a unit of Galdman Scicht,
J. Aron	0.010	1989	<u></u> ∵,	\$400	_,	Call warrants each exercisable into 100 barrels of West Texas Intermediate all at \$21.50 a barrel. Breakeven price \$25.50, lesser is a unit of Goldman Sachs.

#### EUROBONDS: Bank of England's Shock Treatment

week alone, British companies launched takeover bids totaling \$3.7 billion for U.S. companies.

They are worried about domestic monetary conditions," Mr. Lewis said. "I think it speaks volumes about the state of monetary conditions" that sterling, instead of rising, showed no reaction to last week's tension in the Gulf. The pound closed the week lower on its trade-weighted index against a basket of currencies, at 72 percent of its 1975 value after 72.3 the previ-

Richard Golding, head of bond market research at Kleinwort, Grieveson, Charlesworth, a British investment banking firm, also played down the trade figures. He said he believes that May's large current account deficit was an aberration, and expects a £250 million deficit for June, and a relatively modest £500 million deficit for the

Yet he wonders why the British authorities suddenly became worried about monetary policy, after showing little response in the past few months to the dramatic growth in bank lending and the 14 percent to 18 percent annual growth rates in broad measures of money supply. These indicators of future in-flation had already begun to worry

cerns," Mr. Golding said. Thus around 10 percent.

Meanwhile, last week was a diswhen government acted, the market suddenly wondered if things

were worse than they had expected. British monetary policy previously had been focusing on ex-change rates, Mr. Golding said. lion worth of perpetual floating-The authorities had been trying to rate notes into a combination of strike a balance between sterling FRNs with a 28-year life and appreciating so much that British exports became unattractive, and my owning the underlying undated depreciating to an extent that imports would become more expensive, boosting inflation.

In the spring, the Bank of England had helped push base rates to 9 percent from 11 percent to stifle speculative demand for pounds ahead of the upcoming election, yet inflation appeared to be under con-

Now, the 1 percentage point rise creates a credibility problem, Mr. Golding said. Traditionally, in dealing with domestic monetary policy, "it has normally required more than a 1 percentage point rise in interest rates to have the type of effect that they need" to dampen inflationary expectations.

For example, if the bank wanted to control a growing money supply by drawing funds out of circulation through a rise in yields on government bonds, thus making them more attractive for investors, the increase should be greater.

Yields on long-dated government bonds reached about 10.25 percent after the bank's announcement, Mr. Golding said, although they later fell back to around 10 Co. See Land Tracked

(Continued from first finance page) think it is," Mr. Golding said. In- discussing plans to harmonize their vestors can already get returns ever regulations on bank capital, and 10 percent simply by putting money on deposit for three months.

> 2003/07 bond would have to reach at least 11 percent to stimulate buy-

government bonds, or gilts.
"I think many people in the market will feel happy that the gov-



Nigel Lawson Move 'targets inflation.

he said. "I think the gilt market probably will find a trading level "Based on past performance, we not too far away from the current trading level," where the beliwether bond due 2003/07 is yielding

> appointing one for the merchant bank J. Henry Schroder Wagg & Co. No commercial banks accepted shares in a special-purpose compa-

The concept, which had drawn mixed reviews, was the most farreaching plan to date to deal with the losses stemming from the col-lapse of the \$18 billion perpenual

FRN market late last year. "At worst, it was premature," said Henry Blackie, a Schroder director and a main architect of the plan, noting that it had raised still-unanswered questions involving regulations for bank capital and

tax write-offs. Specifically, problems involving largely liquidated their holdings in capital adequacy that it had sought the market. to address apparently were not yet a great concern among Japanese banks, the major holders of perpe-

In contrast, commercial banks within the Bank of England's jurisdiction face a major capital adequacy constraint if they hold perpetuals as investments: The central bank requires them to reduce their own capital by an equal amount. Without such limits, the issuing of perpetuals would have nominally increased individual banks' capital without resulting in an overall in-crease in capital for the banking system as a whole.

able to buoy the market? I don't Federal Reserve Board had been really there," Mr. Maruri said.

fears that the Bank of Japan would

join this exercise was a contributing Yields on the benchmark factor to the plunge in perpetuals. 903/07 bond would have to reach . Thus the Schröder plan would have transformed the perpetuals ing he argued.

Mr. Lewis of Phillips & Drew is an expected 10 percent capital weighting from the Bank of En-

gland, rather than 100 percent. a problem here in London is not seen to be a problem of the same level of acuteness by others," par-ticularly the Japanese banks, Mr. Blackie said. Some FRN specialists added that because the impact of perfect harmonization of bank capital rules would have a devastating impact on Japanese banks, the

more flexible approach. Japanese banks had also been given much leeway in deciding what their perpetuals were worth, the FRN specialists said. Therefore, they were reluctant to take the initial 7 percentage point loss from face value on their FRNs that the Schroder plan entailed.

Bank of Japan is expected to take a

Under certain circumstances, they added, it appeared that any banks acknowledging this accounting loss on their holdings would not be able to convince domestic tax percent this year. While that has healing loss on their holdings would not be able to convince domestic tax authorities to count this loss

against their taxes. The premium payment that was required to tender the FRNs also proved an obstacle, Mr. Blackie said, even after the payment level was reduced. However, he argued that the system was not properly understood. "The very strong feedback that we got was that price was

Victor Maruri, an FRN specialist with Credit Suisse First Boston Ltd., offered three major reasons why the idea didn't catch on. First, not all investors in perpetuals were facing capital adequacy restraints. Aside from the Japanese banks, holders include insurance companies and other institutional inves-

tors, he noted. Second, many investors bought paper after the price crash and, rather than worry about minimizing their losses, are eager to profit from any price rise. Third, the British institutions that held perhaps \$50 to \$100 million each in underwriting or trading positions have

CSFB advised clients that, regardless of their exposure to capital adequacy rules, if they held highquality perpetuals it was better to sell them in the market, even though market liquidity has shrunk

drastically. If, however, they were affected by capital adequacy rules and held low-quality perpetuals that would attract few market bids, then the Schroder plan should be considered. As it turned out, there were few banks in this second category.

"It was a very clever design to cater to various needs, but they The Bank of England and the discovered that these needs weren't

#### German GNP Is Forecast To Grow Just 1.75% in '88

MUNICH - West Germany's gross national product, adjusted for inflation, will rise by 1.75 percent in 1988 after growing by an estimated 1.25 percent this year, according to predictions by the IFO economic research institute.

The institute's forecasts are lower than government targets of 2.5 percent growth in 1988 and 1.5 percent to 2 percent this year.

The institute said in a monthly report that growth in GNP, which neasures a country's total output of goods and services, including income from foreign investments, would be too small to improve the labor market

The unemployment rate will rise to 9 percent this year and 9.1 percent in 1988, from the current 8.7 percent, it forecast. Otto Schlecht, state secretary at

the Economics Ministry, said Sat-

urday that the government's targets But the economic research institute said, "The development of the West German economy since the autumn of 1986 shows more than a temporary disturbance of the

growth process. Developments since then mark a clear reduction of the growth rate." Industrial output may fall slightly and industry will be unable to contribute much to growth in the next few months, the institute said. It said exports would pick up next year but would be offset by the

#### Construction Firms In West Germany Plan to Invest Less

continued strength of the mark.

BONN - West German conback investment plans for 1987 be- Whenever one of Minnetonka's in- pected to report sales of \$85 million building work earlier this year, the Industry Association said Saturday.

It said a survey of companies showed the concerns would increase investment by 7 percent in 1987, compared with a 17 percent rise seen in autumn last year.

industry association said.

# Pickens's Stake Is Said to Make Singer a Target

DALLAS - T. Boone Pickens's announcement that his Mesa Limited Partnership owns 4.4 percent of Singer Co. and might buy up to 15 percent has put the company into takeover

play, according to some analysts. They said that although Mr. Pickens could easily finance the purchase of all of Singer's 21 million shares, which could cost as much as \$1.3 billion, he may not be the ultimate buyer.

Mr. Pickens announced Mesa's holding in Singer, a military supplier, on Friday. On July 28, Boeing Co., which

is a military contractor as well as

an aircrast manufacturer, said

Mr. Pickens was seeking government approval to buy up to 15 percent of its shares. Industry analysts have said that, in contrast to the situation with Singer, Mr. Pickens's plan to buy Boeing stock was more likely a move for short-term profit than

Mr. Pickens's filings were made under the Hart-Scott-Rodino antitrust law, which requires



A visual system at a Singer flight simulation unit.

notification to the Justice Department of an intention to buy more than \$15 million or up to 15 percent of a company's stock.

Singer's stock price jumped \$4.625 Friday, to \$51.50, with more than a million shares traded the prelude to a takeover attempt. on the New York Stock Ex-Boeing has a market value of nearly \$8 billion. change. The stock traded as low as \$37.625 as recently as June 30. Boeing's shares lost 87.5 cents in active trading, to \$51.25.

Joseph B, Flavin, Singer's

chairman and chief executive, declined to comment on the Mesa announcement, which was made before trading began.

Mr. Pickens is under pressure to produce additional income to cover an expected shortfall of \$100 million between Mesa's cash flow and its commitment to pay \$306 million in annual cash distributions on its common and preferred units.

year, including Amerada Hess Corp. and Burlington Northern Inc., but sold most of the stakes without making large profits.

After spinning off its sewing machine operations last year. Singer saw its revenue and profit fall. It carned \$58.5 million, or \$2.63 a share, last year, a 28.9 percent decline from the company high of \$82.3 million, or \$4.30 a share, in 1985. Sales fell 29.1 percent to \$1.7 billion.

Philip W. Friedman, a defense industry analyst with Drexel Burnham Lambert Inc. in New York, said that Boeing, Chrysler, Alhed-Signal Inc., and General Dynamics Corp. were among the potential hidders for Singer.

"Pickens may not be the ultimate buyer of Singer," he said, "but he probably has put it into

Catherine Montgomery, an energy analyst with Donaldson Lufkin & Jenrette in New York, said that if no other bidders emerged. Mr. Pickens could "easily manage" to finance a Sincer takeover.

Mesa has more than \$300 million in cash, and credit lines of more than \$600 million.

#### Minnetonka to Sell Soap Unit Work Begins on China Nuclear Plant To Colgate for \$60 Million

CHICAGO - Minnetonka gobbling up market share. Corp., which pioneered the consumer liquid soap business in 1979. duced Cheek-Up toothpaste, a plaque-fighting gel that comes in a pump dispenser, in 1984. Procter & Gamble and Colgate followed suit, has said that it will sell the business to Colgate-Palmolive Co. Minnetonka, which makes Obsession perfume and other consumer prod- and Check-Up's share of the tooth-

ucts, said it would receive between

\$60 million and \$65 million for the soop business. Analysts said that the move, announced Friday, means Minnetonnesota, can now more effectively market products with high mar-

that in the areas where Minnetonka gins. But they noted the company's remains, "like fragrance, price is exit from the liquid soap business not an issue, and that is where they struction companies have scaled illustrates a recurring problem: shine." Indeed, Obsession is ex-

"Toothpaste and soap are pricecompetitive categories," said Nanka, which is based in Chaska, Min- cy Hall, an analyst with Smith Barney, Harris Upham & Co., adding

paste market fell to 2 percent, from

4 percent. Minnetonka decided to

self Check-Up early this year.

Minnetonka, for example, intro-

#### cause of a reduction in demand for novations catches on giant compa- in 1987 and \$100 million in 1988.

HONG KONG — The Standing Committee on Company Law Reform has recommended that there Demand for construction work be no "indiscriminate" issue of had fallen nearly 6 percent in the controversial "B" shares, which first five months of the year, the three big companies tried to issuethree big companies tried to issue. The committee, which advises

H.K. Panel Warns on 'B' Share Issues used by substantial shareholders as a means of transferring capital out of Hong Kong while maintaining

actual control of the companies. The special shares would allow

big investors to reduce the value of their holding while maintaining their voting share in a company. It added that investment was the government, said Saturday it Jardine Matheson Cheung Kong mainly aimed at replacement of ex- was "opposed to the indiscriminate and Hutchison Whampon tried to isting equipment and rationaliza- issue of B' shares by listed compa- issue the shares, but the govern nies, which it considers could be ment refused, pending a review.

HONG KONG --- Work on the

Mesa has invested in several

plant has begun at Dava Bay near the border with Hong Kong. groups petitioned Chinese leaders last year in a bid to halt construction at the site. 30 miles (50 kilometers) north of the British colony.

Guangdong Nuclear Power Joint Venture Co. was set up in 1985 by China's Guangdong Province and Hong Kong's China Light & Power Co. Most of the electricity is destined for Hong Kong.

The venture is to buy two pressurized water reactors from Framatome, the French nuclear supplier and two turbine generators from General Electric Co. of Britain.

#### Dome Rejects Yellowknife Bid

The Associated Pres-

CALGARY, Alberta -Dome Petroleum has rejected a 447 million Canadian dollar (\$335 million) offer from Giant Yellowknife Mines Ltd. for its

Giant Yellowknife had oflion shares in Dome Mines. Giant Yellowknife said

Bankers Trust A.G. Drukoenugstrase Co Securite Department CH-8455 Zorich, Switzerland

Kredietbank S.A. L 43 Boulevard Royal 2955, Luxembourg

#### Bolivia Struggles to Turn the Corner Tough Policies Have Cut Inflation, but Growth Is Elusive

By Shirley Christian

New York Times Service LA PAZ — Every month, Bolivia's teachers strike for a few days because their p ivchecks are late. July'i What had been perceived to be strike lasted longer than usual because the teachers

> vowed that it would close schools if there were no of reduced exports. teachers in the classrooms. The government took a similar line when petroleum wage increases, declared the refineries to be under an external debt of about \$4 billion.

military direction and said everybody who did not return to work the next day would be dismissed. In addition to taking a tough stand with the labor unions, Mr. Paz. who took office two years ago, has instituted a public-sector wage freeze, ended price controls and allowed the exchange rate to float freely.

restructured to reduce the size of the public sector and that the tax system be reformed. As a result, inflation, which was running at an annual rate of more than 40,000 percent in August 1985, is expected to total between 13 percent and 20

He also proposed that state-owned companies be

While that has helped to bring back some capital, it still puts working credit beyond the reach of most

businessmen and farmers. And more people are paying taxes, which most Bolivians say they almost never did before. The government says that tax collections will equal 3.5 percent of the gross national product, or total output of goods

and services, this year and 10 percent in three years. But there still are serious problems for the country, which is ranked as one of Latin America's poorest.

port. Natural gas, now the chief export, is bringing in 20 percent.

little revenue because the leading buyer, Argentina, has not paid its bill for a year and a half.

And cocaine, which had been bringing in an amount

U.S. efforts to attack cocaine processing laboratories. were also demanding pay increases.

The action caused Bolivia to ask the United States
The government of President Victor Paz Estenssoro
last year for a \$100 million loan to help defray the cost

Today, Bolivia is looking for ways to resume growth after five negative years. But international bankers are workers went on strike. It said there was no money for not eager to invest more in a country that already has

Flavio Machicado, an economic consultant who served as finance minister in two previous governments, said that Bolivia's longtime economic model, based on tin and state control, was worn out and that the country now had to go through a transition "to a

new kind of mining and to new agriculture." "But the problem," he said, "is how to deal with the social pressure in the meantime, how to feed people

and avoid violence." Bolivia is working with international organizations, including the Inter-American Development Bank and the World Bank, to raise \$1.5 billion for such projects as roads and bridges, oil exploration and the expansion of the mining industry.

As part of the plan, Bolivia intends to sell half of its

gold reserves to raise \$100 million, which it would lend to private business to promote exports. At the same time, the government has developed a

two-pronged proposal for dealing with its \$1.1 billion debt to private foreign banks.

The proposal includes an arrangement under which purchasers of debt paper can acquire interests in state-

owned companies equal to 50 percent more than the amount they paid for the debt. Bolivia has also offered to buy back part of its debt

The collapse of the international tin market two from the banks at a percentage of face value that has years ago almost wiped out Bolivia's main legal ex- not been announced but is thought to be 15 percent to

# U.S. Bonds Perk Up as Congress Acts

prices showed strength last week, and Senate approved a temporary intensified fears of inflation, and a buoyed by weakening oil prices and heavy slate of Treasury financing. expectation among securities dealers and institutional investors that Congress would succeed in extending the government's debt ceiling. After trading closed Friday.

U.S. Consumer Rates Money Market Funds ₩\$7-Day Average k Money Market Acco Home Morigage, FHLB averag

**BANQUE NATIONALE DE PARIS** 

US\$400,000,000 floating rate notes 1984 due 1995

The rate of interest applicable to the interest period from August 6, 1987 to February 8, 88 as determined by the reference Agent is 756%

per annum, namely U.S. \$398,96 per bond of US\$10 000.-

those expectations were fulfilled things have been troubling it NEW YORK - U.S. bond when the House of Representatives tensions in the Gulf, which have

U.S. CREDIT MARKETS debt-limit increase to \$2.35 trillion, which is effective through Sept. 23. By late Friday, the Treasury's 30-year 814 percent bonds were offered at 98 13/32, up 11/32, to

yield 8.90 percent. Uncertainties about the Treasury's quarterly refunding, scheduled for next week, had weighed heavily on the bond market

"Although there were fluctua tions today, the bond market has been in a bearish mode most of the week," said Theodore Tung, chief economist of the National City Bank in Cleveland, "Basically two

"Many traders are afraid that yields, especially on long Treasury bonds, may rise into the refunding

in order to attract the participation

of Japanese investors," he said. Bond prices, meanwhile, were lower in Friday's trading on stronger-than-expected July employment data released by the Labor

(NYT, UPI)

SELECTED ILS.A./O.T.C. QUOTATIONS 216 Alan Jones Pit Stop 21/4 Bitter Corp. 24% 26% Chiron 18% 18% GoodMark Foods

MAG Holdinas 14 3% 31/6 441/6 Spectrodyne WITH COMPLIMENTS OF CONTINENTAL AMERICA CONTINENTAL AMERICAN

main reactor complex at China's first commercial nuclear power Hong Kong environmental

21.5 percent stake in Dome Mines Ltd.

fered Dome Petroleum 21.50 dollars a share for its 20.8 milwould have used the shares to block a planned merger by Toronto-based Dome Mines with Placer Development Ltd. of Vancouver and Campbell Red Lake Mines Ltd., a Dome Pe-

troleum unit. Dome Petroleum

said it would vote its shares in

favor of the merger this week.

SOTILE: To The Holders of CSWI International Finance N.V.

Interest due on the above feelentures at May 15, 1987 was not part by CSWI International Finance 2. Victor Company 3. The Company has now deposited unto payment with the undersymed as of May 15, 1981 under which such Debentures were issued, Holders of pre-ently outstanding Rebentures may not present their coupons for the May 15, 1987 interest payment at my of the following affices and receive the payment provided for therein.

Bankers Trust Company 4 Albany Street New York, New York 1800m Bankers Trust Company Dashwood House Gr Old Broad Street London ECPP SEE

# Herald Eribune

After OPEC's Part of the same of L.S.-Japan Trade Gap Expected to Keep Risks



# The Inflight Newspaper is available on KLM flights.

As part of its inflight service, KLM distributes the International Herald Tribune to its passengers on its flights. So do most other airlines: some 39,000 copies of the IHT are distributed each day in the skies of Europe. Africa, the Middle East, Asia and the Americas. Which is why we have become known as "the inflight newspaper."

Be sure to ask for your copy the next time you fly.



Herald Eribune.

Bringing the world's most important news to the world's most important audience.

Mutual

Ĺ

AMA Sugar Parameter Sugar Para

Cilibania IRACUITORIA

Cilibania IRACUITORIA

Cilibania IRACUITORIA

Cilibania ILAS NLL

Cilibania ILAS NLL

Cilibania ILAS NLL

Cilibania IRACUITORIA

Control IRACUITORIA

CON

| Second | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.10 | 10.

| 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.0

Recy of the second seco 

SOUTH PARTY OF THE PARTY OF THE

1.44	N.
1.577	N.
1.577	N.
1.578	N.
2.588	N.
2.588	N.
1.571	N.
1.572	N.
1.573	N.
1.573	N.
1.573	N.
1.574	N.
1.574	N.
1.574	N.
1.575 Chastri Chastr	

Contion & series Contis

Aug Sep Aug Sep
Action SE July Sep
Action Sep
Action SE July Sep
Action Se Mining The Thing Things of Things to the second of the State of the

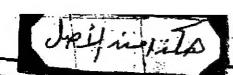
まで出ててて地ですで、神の地で地ででできまっていますですが、一般では、一般では、一般では、「一般ない」では、「「「「「「」」では、「「」」」では、「「」」」では、「「」」」では、「「」」」では、「「」」 The state of the s

 Converse Construction of the Construction of t Table of the state of the stat 

CONTRACTOR OF THE PROPERTY OF

13 25%
444 175 25%
444 175 25%
444 175 25%
444 175 25%
15 25 15 25%
16 25 25%
17 25%
17 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
18 25%
1 130 30 40 44 210 92 40 123 130c 44 23 American Exchange Options
Floures as at close of tradition Friday.

----



# Central Banks Can't Tame Dollar

NEW YORK — Currency traders say that despite attempts by the Federal Reserve and the Bundesbank to hold down the value of the U.S. dollar, central bank intervention is probably futile

given the bullishness for the currency Normally when central banks sell dollars anxjous traders join in the sell-off. But this past week, the dollar rapidly recovered from each intervention by the U.S. and West German central banks. and on Friday it even breached a key resistance level against the Deutsche mark.

Dealers said the modest size of the two central banks' open-market operations suggest they are only concerned at this stage with putting the

brakes on the dollar's speculative surge.

They are trying to slow the dollar's ascent, not "I ney are trying to slow the dollar's ascent, not turn it around, otherwise they'd have spent more," said John Lynam, vice president of corporate foreign exchange at Security Pacific Corp.

The dollar jumped 4 pfennigs in the space of a week to a seven-month high of 1.8930 DM in New York on Tuesday.

And despite sales of dollars for marks by the Bundesbank and Fed on several days last week, the dollar closed at 1.8925 DM on Friday in New York, up from 1.8845 DM at Thursday's close and to 6 percent, its lowest level since December 1000

sold dollars during the week. "They're just trying to keep the dollar from running away," said Larry Ryan, foreign exchange manager at Enropean American Bank.

Dealers say they believe the dollar sales — estimated at between \$300 million and \$500 million each by the Fed and Bundesbank — were kicked off by the U.S. central bank on Tuesday, when the dollar rose about 1% plennigs.

On Wednesday, the Bundesbank took the un-usual step of confirming that it had intervened in the open market to sell dollars. It stepped in again on Thursday. The Fed also sold dollars on Wednesday and Thursday, dealers said. The U.S. central bank does not comment on intervention.

Heightened tension in the Middle East has made would-be sellers nervous. The U.S. currency is viewed as a haven in times of turmoil.

Moreover, positive U.S. economic data, such as the surprisingly strong employment report for July, are forcing even pessimists to reassess their views. "This is the first number I've seen for some months that has made me think again about the economy," said one dealer.

#### TRADE: Soviets Face Array of Obstacles in Effort to Sell Manufactured Goods in U.S.

(Continued from first finance page) blocks if they are seen as too suc-

cessiul. Since March, imports of the untreated cotton fabric - known as gray goods and used in apparel and upholstery - have been doubling monthly, reaching & million square yards (6.4 million square meters) in May, the latest month for which figures are available, according to Carlos F. J. Moore, executive vice president of the American Textile

Manufacturers Institute. 39 cents a square yard (31 cents a In the eyes of Soviet officials, the the Moskvich 2141 in Western Eusquare meter), or about half the larger issue is reciprocity. In the rope and the United States by 1990.

Bowing to pressure from U.S. textile producers, the federal government on July 22 limited imports of gray goods from the Soviet Union in the next 12 months to a total of 4.4 million square yards.

The Russians are selling the fourwheel-drive and Europe, and the United States.

going American market price, last 15 years, the United States has They're pricing it at the cost of the cotton content, he said. billion. Russian trade officials noted during interviews in Washing-

"We cannot buy from you, if you

One of the Soviet Union's more

Samara in Canada hope to market it in

Mr. Moore said the product has fice of the U.S. Trade RepresentaBeen entering the United States at tive.

Russians are preparing to sell a front-wheel-drive hatchback called In the eyes of Soviet officials, the the Moskvich 2141 in Western Eu-

The Soviet Union has also recently introduced the Samara - a front-wheel-drive vehicle - in Canada and Western Europe, keen interest. Recently, there have worker incentives that would allow which it hopes to sell eventually in been reports from Moscow that the the Soviets to develop a workable the United States as well.

will not buy from us," said Mr. can mount a successful marketing viet Union now prices all of its hard tant commerce secretary. "In the Kozhevnikov.

operation in the United States in currency exports in dollars, and the absence of joint ventures, the Soviets of the secretary o limited numbers — something like inconvertibility of the ruble is an els will never become a world-class

to increase sales of manufactured global trade organization now goods to the United States reflect overseeing a new round of trade the interest of Mikhail S. Gorbachev, the Soviet leader, in expanding exports to the West in general.

In a decentralization move that became effective last Jan. 1, 20 ministries and 70 large state enterprises received the right to trade the Soviets in the overall pie of directly with the West. Before, the global trade, but we don't have any Ministry of Foreign Trade had con-

trolled all such trade. The Russians are acting "wher-State Department official who to future Soviet success in exportmonitors the Soviet economy.

American officials are watching the Soviet trade initiatives with ern manufacturing control and government is considering partial range of higher-quality exports," "We are quite confident that we convertibility of the ruble. The So-said Mr. Vargo, the deputy assis-

Mr. Kozhevnikov said the moves ment on Tarills and Trade, the liberalization. Moscow's offer was rejected on the ground that the So-

viet economy was not compatible with the economies of most of the 93 GATT members. "We're looking to see how to fit the Soviets in the overall pie of

answers yet," one American policymaker said. In light of the generally poor ever they can find a fit between rating of Soviet products, many what they are producing and what U.S. officials see joint ventures is marketable in the West," said a with Western companies as the key

"They would provide the West-

York, up from 1.8845 DM at Thursday's close and above a resistance level of 1.89 DM.  Some dealers also believe the Bank of England  Civilian intemployment in the United States fell to 6 percent, its lowest level since December 1979, and there was strong improvement in the manufacturing sector.	Soviets are open to charges of sub- sidizing their exports," said Gary	ambitious goals is to take a share of the U.S. car market. Automotive	60.000 vehicles after three years," said Mr. Ozternel of Satra. The So- viet cars would be priced at about	inconvertibility of the ruble is an obstacle to trade.  Last year Moscow joited the West by announcing it was prepared to join the General Agree-	exporting country."  The Russians are discussing joint-venture proposals with more
NSDAO National Market  Ott Constitute of the state of the	Solies	Soles in   Low Close   Company   C	Solies in	Secretary   1	1

ACROSS 5 Supply food for 10 Bases of the

system 14 Harrow rival 15 Overbead 17 Apt anagram for evil 18 Hay bundles 19 Big bean 20 French

magazine for 23 Actress Remick 24 Ore pockets 25 Lemon drink 26 Mystericus

29 Us, to Ovid breeze 32 Pedigree 35 Haras 39 Salad plant 40 Goader 41 What hams chew up 43 Nips 45 Cash follower

8 Peak Norkay 47 Morse-code E 9 Relaxes 50 Belief 52 Serve well 10 After-shave powder 11 Oscar winn 55 Mace 57 Church officer 58 Author Emie or Howard 59 Part of T.L.C. 13 Gape 27 French river

28 Did a road job you spare 30 Lofty 31 Friends, in 61 Like a wing Firenze 32 Bandleader in 1917 Brown 33 Co. tag tutte": Mozart 34 Fur country 36 Sash in Sasebo 66 Moved along a 37 Originally called

1960 and 1966

43 Certain infant: DOWN Colloq. 46 Conclusion 48 Capital of 49 Done in 51 Drift

O New York Times, edited by Eugene Maleska.

May Be Headed for the NHL

STOCKHOLM - Igor Dmitriev, who reportedly will be the next national Soviet ice hockey coach, said Saturday that he would not be surprised if several of his stars are in National Hockey League uniforms as early as next season. The players will get an extra motiva-

tion if they get a chance to play as professionals," said Dmitriev, currently the squad's assistant coach. The team is here to play Sweden in

two exhibition matches. "It wouldn't surprise me if at least 20

Soviet players perform in the NHL in the next couple of seasons," Dmitriev said. "The price will have to be discussed, but money won't be the deciding matter in such a deal.

The players would be stimulated by this opportunity to become well-paid professionals. And I believe this international exchange will develop ice hockey in all countries

In the past, the catch had been that the Soviet Union was willing only to send a top player who would reflect well



on its program, but wanted to keep its best players for international competition. Now it seems that Soviet officials

are changing their minds.
Victor Tikhonov, who is expected to retire as coach of the team after the 1988 Winter Olympics, said five of the best players could receive official permission to play in the West following the Games in Calgary. "I know our ministry of sports is considering letting some of our players go abroad," he said.

The five stars reportedly include de-(ensemen Vyacheslav Fetisov and Alexei Kasatonov, and forwards Vladimir Kru-tov, Igor Larionov and Sergei Makarov - the team's top unit of the 1980s. Makarov is the all-time Soviet points leader in games against NHL teams.

Vyacheslav Koloskov, chairman for

hockey and soccer on the Soviet National Sports Committee, has the final say, according to Werner Persson, a Swede traveling with the Soviet team. Such a policy change could also affect

soccer and other sports, such as basketball. Persson said. Six members of the Soviet basketball team are currently playing a series of games in the United States with the NBA's Atlanta Hawks. Several Soviet hockey players have received permission to play in the West in the past, but no national team member has ever played in the NHL.
Fetisov was drafted in 1978 by Mon-

treal and in 1983 by New Jersey. Kasatonov also was drafted by New Jersey in 1983, Krutov in 1984 and Larionov in 1985 were both drafted by Vancouver, while Calgary picked Makarov in 1983.

The bockey squad crossed the com-mercialism line last spring when it became the first Soviet team to sign an individual sponsorship contract. During an exhibition game here, the players wore ads for a Swedish computer com-(AP, UPI) pany on their jerseys.

#### **SPORTS**

# Several Soviet Hockey Stars Tigers Win, 15-5, Drop Yanks Out of First

DETROIT - Darrell Evans hit two-run home run Sunday to cap a nine-run fourth inning and Alan Trammell, Bill Madlock and Matt games behind the Blue Jays. May 17, pitched six innings and Nokes also homered as the Detroit Tigers routed New York, 15-4, and again knocked the Yankees out of first place again in the American

The Tigers won three of the four the Yankees, 35-16. The Toronto pitched the eighth. Blue Jays, who beat the Cleveland Indians, took a half-game lead over land. John Cerutti won his seventh

SUNDAY BASEBALL

the Yankees with the Tigers 11/2 runs and eight hits in eight innings. The Tigers got 14 hits off seven

pitchers, with starter Dennis Ras- out four and walked none. mussen being pounded for eight . Twins 7, Athletics 5: In Minnshits and eight runs in three innings. ames of the series and outscored Rick Cerone, the Yankees' catcher.

Blue Jays 5, Indians 1: In Cieve-

straight decision and Jesse Bar-field, Willie Upshaw and Lloyd Moseby homered for Toronto.

Second place in the American League West, less than a percentage point behind the Athletics. They

Ceruiti, 8-2 and undefeated since Orioles 5, Rangers 4: In Baltimore, Ray Knight's pinch-single with two out in the ninth drove in Winner Dan Petry gave up four gave up seven hits, including Tommy Hinzo's first major-league homer, in the sixth. Cerutti struck

apolis, Kent Hrbek, Tom Brunansky, Tim Laudner and Gary Gaetti homered in helping sweep a four-game series against Oakland. The Twins began the series in

Dan Pasqua hit a two-run homer to put New York back into first place

Indians 3. Blue Jays 1: in Cleve-

land, Tom Candiotti scattered eight

hits and Brett Butler scored rwice

Red Sox 8, Royals 3: In Boston,

Rangers 11, Orioles 5: In Balti-

rookie Ellis Burks went 3-for-3 with

two doubles and a two-run home

two-run shot helped Texas win.

four and scored four runs against

Oakland in support of Steve Carl-ton's 329th victory in the majors.

Brewers 5, White Sox 3; White

Mariners 5, Angels 3: In Seattle,

Sox 8, Brewers 6: In Chicago, Ron

header split with Milwaukee.

run, against Kansas City.

the East Division.

esiast Tomato.

each got three of Kansas City's 17 hits and rookie reliever John Davis got his first major league victory.

Davis, called up from the minors July 21, bailed out starter Bud

the run that beat Texas.

Black after the Red Sox tied at 3 in the third and allowed only four hits in 6% innings. Giants 3, Reds 2: In the National

outscored the Athletics, 34-17, in the

sweep and got their seventh four-homer game of the season.

Royals 8, Red Sox 3: In Bostons

Kevin Seitzer and Steve Balbon-

League, in San Francisco, Mike Krukow held Cincinnati to five hits for 81/2 innings and Will Clark homered to help win the first game of

Krukow did not allow a hit until Barry Larkin singled with one out in the sixth, as the Giants won their third straight over the Reds and their seventh straight at home. Krukow struck out seven and walked none.

more, Tom O'Malley's three-run Cubs 6, Mets 3: In New York. homer and Oddibe McDowell's Jody Davis homered in the fifth and ended a seventh-inning tie with Twins 9, Athletics 2: In Minnea single for Chicago. apolis, Kirby Puckett went four for

Dwight Gooden, who had won four of his last five decisions, gave up six runs on nine hits in 6½ innings:
Davis, who had given the Cubs a 2-1 lead in the fifth with his homer, fouled off two pitches in an at-tempt to bunt, then singled to left Hassey got three of his team's 13 hits in the second game of a double-

to score the game-winning run. Pirates 4, Expos 3: In Pittsburgh, pinch-hitter Andy Van Slyke's two-Alvin Davis's two-run homer began run homer capped a three-run eighth-the defeat of California. (UPI, AP) inning rally that beat Montreal.

では、100mmので

#### Hammaker 4-Hits Reds as Giants Win

League's West Division,

SAN FRANCISCO - Atlee Hammaker pitched a four-hitter Saturday and Will Clark drove in two runs to help beat Cincinnati, 5-2, and pull the San Francisco Giants to within three games of the first-place Reds in the National

Hammaker gave up only a second-inning single to Tracy Jones and an eighth-inning home run by Eric Davis through eight innings en route to his second complete game this year. Hammaker walked four and struck out five as the Giants won their second straight in the four-game series.

in the first inning almost every game recently. He's got to give his team a better chance

Braves 9, Dodgers 7: In Los Angeles, Dale Murphy bomered twice and drove in four runs and Gerald Perry got three hits, one a two-run home run, for Atlanta.

#### SATURDAY BASEBALL

Padres 4, Astros 3: In San Diego, John Kruk homered in the seventh and singled in Tony Gwynn from second with one out in the 10th to beat Houston.

Pirates 5, Expos 2: In Pittsburgh, R.J. Reynolds went 3-for4, ho-mered and had three RBIs against Montreal.

Cardinals 9, Phillies 5: In Phila-: delphia, Tommy Herr homered, doubled twice, singled and drove in three runs and Tony Pena hit a three-run home run for St. Lonis. Cabs 5, Mets 3: In New York,

The Reds' manager, Pete Rose, Said of his starter, Tom Browning, each got two RBI and Chicago, "He's given up three, four, five runs with 16 hits, ended the Mets' sevengame winning streak. Jay Baller struck out Howard Johnson with the bases loaded to end the seventh and preserve a one-run lead.

Yankees 7. Tigers 0: In the American League, in Detroit, Tom-my John pitched a two-hitter for first shutout since 1984 and

#### WORLD STOCKS IN REVIEW / Via Agence France-Presse

#### Amsterdam

The focus on the Amsterdam stock market last week was again on publishing companies, as the outcome of the battle for Kluwer re-

mained unclear. The situation was complicated by the an-nouncement of the British publisher Robert Maxwell that he would seek cooperation with Elsevier, a Khuwer bidder. Elsevier's shares

gained 20 percent to 67 guilders.

All major stocks were substantially higher

Prices fell over a broad front on Monday on increased tension in the Middle East. On Tues-day, the publishing sector again dominated, and Wednesday saw hectic trading centering on Elsevier and Kluwer. On Thursday, the market was strong, with

the CBS international index rising 3.1 to a record 358.6. On Friday, the trade index reached an all-time high of 457.5,
Market turnover was 7.67 billion guilders for
the week, against 5.48 billion the previous

Kempen & Co. stockbrokers in Amsterdam said the short-term outlook is positive, as the dollar shows no signs of weakening.

West German stocks made new gains last week with the Commerzbank index climbing 52.3 points to 2,039, its highest since the start

The dollar's strength, at about 1.90 Deutsche marks, stimulated the eight West German exchanges because of the possible boost it offers to German exports. Most West German blue chip shares enjoyed strong foreign demand.
Volume reached 33.8 billion DM, against

24.79 billion the previous week. Auto stocks rose, with Volkswagen up by 9.20 DM, BMW by 11, and Daimle 43. Among electricals, Siemens gained 16.50 DM to close at 711 and AEG 9 DM to 341. The Linde consumer goods group gained 21 DM to

Banks remained strong, notably Deutsche Bank, which gained 53 marks.

#### Hong Kong

The Hong Kong stock market finished last week on another high, with the Hang Seng Index gaining 38.24 points Friday to close at a record 3,536.19, up 56.95 on the previous week. It was the third record of the week, with

dealers apparently keen to buy after the market lost ground Wednesday and Thursday.

Average daily turnover was 2.46 billion Hong Kong dollars, soaring past the previous week's 1.88 billion.

Dealers said the market was in a bullish mood and that the high turnover was likely to continue in the short term.

#### London

Nervousness about the Middle-East and key economic indicators, notably next Tuesday's trade figures, sent shares sharply down from the outset on the London Stock Exchange last

On Thursday, both Financial Times indexes recorded their worst one-day falls, when the Bank of England gave the signal for a surprise I percent rise in bank base rates, to 10 percent. The gloomy mood continued on Friday as panic selling gripped the market, with some analysis even seeing the start of a free-fail of prices that would end the City's decade-long

"bull run" of rising share values.

The Financial Times industrial share index ended down 125.6 points on the week, at 1,726.9, a 6.7 percent fall.

Gits were also sharply affected, after early support was provided by a significant rise in Britain's gold and currency reserves in July.

Consumer stocks, banks and insurances were among the worst hit. Oils and mining stocks went into sharp retreat after initial gains prompted by oil and precious metal firmness.

#### Milan

Milan stocks dived last week, as the crisis in the Gulf coincided with the traditionally slack

buying interest of midsummer.

The Comit index fell 4.36 percent over the week to close at 657.43, its lowest this year. An average of 16 million shares were traded each day, for an average value of 64.5 billion lire, against 62 million shares and 358 billion lire the previous week.

The market has lost around 9 percent of its value in the past seven months, and every sector has been affected.

· Olivetti closed the week 5.56 percent down; Fiat ordinary lost 4.49 percent to reach a 1987

iow; Montadison, launching a takeover bid for Total-Italie, finished 5.84 percent down.

#### *Paris*

Middle East developments and a sharp rises in European interest rates last week temporari-ily ruined Paris Bourse hopes for an August rally. The CAC index finished the week at 410.4, against 414.7 the previous Friday.

Prices dropped on Monday and Tuesday. but railied somewhat on Wednesday as Iranian . maneuvers in the Gulf proved incident-free: The tone was better on Thursday, helped by

lower prices on world oil markets and a good Wall Street performance. Observers noted that some foreign investors were beginning to return to the market, and London brokers expressed optimism about Paris stock prices during the next several weeks. French analysts said that Paris shares

#### Singapore

Singapore shares were strongly supported in a holiday-shortened week by interest fromoverseas and local institutions.

had dropped to attractive levels.

Gains were noted in all sectors, sending the Straits Times industrial index to a new high of . 1,464.22, with a gain of 64.24 points for the

Total volume was slightly reduced because of the holiday, reaching 165.9 million shares, valued at 526.9 million Singapore dollars.

#### Tokyo

Tokyo stocks overcame early setbacks last week to notch up their third consecutive week-ly advance. The 225-issue Nikkei Avetagi gained 312.84 yen to close Friday at 24,800.95.

The market was bearish Monday and Tuesday amid fears that tension in the Gulf would cause a further rise in oil prices. But feeling changed Wednesday, as the Gulf situation ap-

changed Wednesday, as the Gulf situation appeared calmer. Buying strengthened Thursday and Friday, spurred by Thursday's latest record-breaking run on Wall Street.

Sony rose to 4,910 yen Friday up from 4,780 a week ago, Nippon Steel rose to 330 yen from 321, civil engineering company Taisei Corp. to

1.0.70 yea from 999 and engineering company Kajima to 1,790 yea from 1,640.

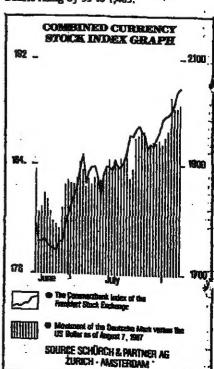
Many market analysts agreed that the bufit trend would continue this week with institutional investors, who have tended to stay on the sidding expected to stay on the sidding expected. the sidelines, expected to come back to the

#### Zurich

The Zurich stock market had another good week, and observers said the trend should. continue in the absence of serious incidents inthe Gulf.

The Credit Suisse index closed the week at 592.6, against 583 the previous week, while the Swiss Bank Corp. index closed at 691.2, against 674.8. Both were record highs, and analysts said the Swiss Bank index should easily move above 700 this week.

Bank stocks remained very firm, especially Swiss Bank Corp., which was up 21 to 516. Financial companies did well, with Oerlikon-Bührle rising by 35 to 1,485.



#### 21 Wide-awake 22 Absolute ruler

67 Scottish Gaelic 38 Corp. officers

DENNIS THE MENACE

2 Helpful, as a 3 Tony winner: 1961 and 1974 4 Joint below the femur 5 Plot

6 Calif. mollusk 7 El Greco subject

WOULD YA GO EASY ON THE SPINACH MRS. WADE?

JUMBLE THAT SCRAMBLED WORD GAME
by Henri Arrold and Bob i A

Print answer here: "

WEATHER

(Answers tomorrow

Jumbles: PIOUS HEFTY STOOGE FUNGUS

What that whale was always doing— "SPOUTING OFF"

LATIN AMERICA

NORTH AMERICA

I'M TRYING TO CUT DOWN."

RYSAC

RETULB

YAMFIL

EUROPE

MIDDLE EAST

**OCEANIA** 

1 Carpenter's

50 Nature writer Edwin Way — 53 Social cank 54 Weird **56** Apiary 58 A New York

Ketthern

**PEANUTS** 

BLONDIE











ONE WHO HAS YOU ON

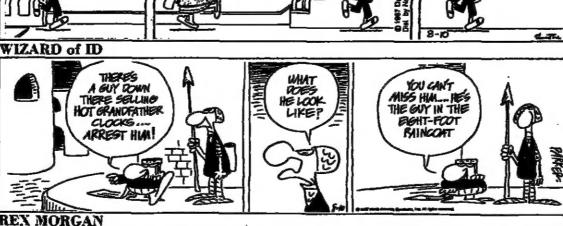
ONE'S TEAM IS FORTUNATE

NOT TO LOSE ONE'S





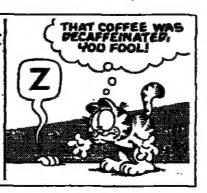














#### **SPORTS**



English Soccer Squad Defeats The Rest of the World, 3-0

Two goals by Bryan Robson and one by Norman Whiteside gave start of the league's centenary season and drew players from 16 the English League a 3-0 victory over Diego Maradona (working, above right, against Paul McGrath) and his Rest of the World teammates in a soccer match Saturday at London's Wembley

nations. Maradona, who plays for Italian titlist Napoli, was paid £90,000 pounds to appear in England for the first time since he learnmates in a soccer match Saturday at London's Wembley scored both goals — one on a controversial fisted shot — in Argentina's 2-1 decision over England in last year's World Cup.

# McCumber, Weibring Tied for PGA Lead

By Thomas Boswell Washington Past Service

PALM BEACH GARDENS, Florida -Larry Mize, born and raised in Georgia, won the Masters. Scott Simpson, born and raised in California, won the U.S. Open at the Olympic Club m San Francisco. Nick Faldo, born and raised in England, won the British Open. Three majors, three native sons; never happened before.

So guess who's tied for the PGA Championship lead heading into Sunday's final round. The native Floridian in the 150-man field -

Mark McCumber. On the omen scale, that's a 10. "It's true, I play my best in Florida, My brothers and I grew up picking crab grass off the 14th green at Hyde Park in Jacksonville for greens fees. I just feel more comfortable on the courses here," said McCumber, whose 18thhole birdie gave him a 69 and tied him with D.A. Weibring (67) at 4-under-par 212, one stroke ahead of Ray Floyd (73) and Bobby Wadkins (71).

Although a half-dozen players have excellent chances, including Seve Ballesteros (72) and Lanny Wadkins (74) at 214, it is startling to see how much McCumber fits the profile of a winner here. Of his five tour wins in 10 seasons, three have been in Florida, including two at Doral's Blue Monster, the one course on earth that may most resembles the PGA National Champion

course here, a watery, sandy 7,002-yard test.

McCumber is in such an unflappable zone that he began this tournament Thursday with a triple-bogey 7. yet never got upset. "Don't know why, I just didn't... Figured I took a week's worth of medicine on the first hole."

Many here are totally spooked by this 69th PGA's rugged conditions. The rough, says Weibring, is as bad as any he's ever seen. As Ballesteros said of one of his greenside saves, "I couldn't see the ball, but I knew it was down

there so I just swung."

The greens are hideously bumpy due to a chemical blight. Nobody can make a putt. Weibring's 67 tied the course record, but he might have had who-knows-what if many short birdie putts hadn't rolled like walnuts on a

But McCumber feels right at home. "I understand these Bermuda greens where the ball may break uphill. I know if you don't hit a putt just right when it's into the grain, it'll bounce drive it into the rough you don't even think tonight," said the 1969 and 1982 PGA winner. about going for the green. You're lucky if you The most tormented soul by far was Ballescan control a 60-yard wedge shot well enough

to put it back in the fairway."

Few have been able to cope with the vicissitudes of this course. Lanny Wadkins, co-leader with Floyd at the start of play on Saturday (see Scoreboard), began birdie-par-birdie and reached 6-under to lead alone. The next 10 holes he played in 5-over-par, digging himself deep into nis infamous funk,

Floyd suffered almost as much. The leader alone at 5-under through six holes, he went from rough to rough for a double bogey on the 222-yard seventh. It took him two hours to recover his momentum, but birdies at the 17th and 18th holes revived his spirits and his



Mark McCumber: Feeling right at home. who would be happy.

Hut-Hut: U.S. Football Rules at Wembley

teros. He came here vowing to be a looseygoosey golfer, out for a good time. So after birdies at Nos. 5, 6 and 10 to reach 5-under and the lead, what did the Spaniard do? He went back on his vow to play aggressively and dar-ingly. He pulled out a 2-iron at the 441-yard 16th hole and a 1-iron at the 541-yard 18th, hitting them both into water. Hello double bogey and bogey.

In a summation that instantly made solfing lore, Ballesteros said: "I'm trying to convince myself that I'm a happy man.

As if Ballesteros needed any further aggravation, he was to be paired on Sunday with Lanny Wadkins and Floyd. Floyd, the high-stakes gambler, is renowned for "the look"—a reflection of such self-absorption that he walks right past his own wife. With his fast swing, grumpy temper and cocky air, Wadkins is nobody's favorite last-round partner.

Of all this event's subplots, one of the best is the possibility of a Wadkins-vs.-Wadkins shootout. Lanny Wadkins is headed for golf's hall of fame. Bobby Wadkins has cashed over a million dollars in checks but has never won a tour event. But if he wins here, he'll equal his brother's career total in majors - one PGA.

On such a fascinating scoreboard, the man who's easy to miss is Weibring, simply because he's only won once in 11 seasons on tour and is visibly hung up on shaking his Never On Sunday tag. "I've been around. I welcome the challenge," said Weibring, who probably had the week's best ball-striking round on Saturday, hitting every fairway and never making a bogey.

"I've reached a lot of the goals I've set in golf and in my life. But I keep getting it thrown back in my face that all I've ever won is the Quad Cities Open, I understand that. But I want to change it," added Weibring, a sports psychology afficiency whose mantra for the week is: "Be as mentally engaged, yet as physically re-laxed as possible."

All around McCumber are men on quests. The Wadkins brothers. The driven Floyd who wants badly to make the Ryder Cup team. The frustrated Weibring who wants to vindicate his competitive heart. And Ballesteros, the man

#### SCOREBOARD

lla Attacks

Pr Suspect

Measures

il de

- List nebut

- - Lies of

a Estateoù

elp the

ir on Talks 

C1124

70. 200 178

- Committee

- - Lad by

in monstrate

er eller von geg

اله عسنة: ت . . .

N 75-11

the second second

. . ಇವು ಪ್ರಕಾ

: Attack

\_\_\_\_\_s

್ಷಾ\_್ತ್ರಿಕ್ಟ್ ಡೆ

بلاقات والدار

ing (or list)

13. 14. 13. 14. 14. 14.

- -----

125

ادان د 3 روست افروست

We primanded

المعالمة الم

. 7-1-72

:=: tree an dy

and the

#### Baseball

#### Friday's and Saturday's Major League Line Scores Owen, Hurst, Schiroldi (8) and Morzono. W-Hurst, 134, L-Gublazo, 134, HR-Boston, Affants:

LEIMNIS		
AMERICAN	LEAGUE	
Hew York	500 000 000 0 F 7	
Detroit	E39 401 90n-2 12 8	
Rhoden, Hudson (4) or	nd Cerone: Robinson	
and Nokes. W-Robinson	. 8-d. L-Rheden, 14-	
7. HRs-Detroit, Sergm	on (6), Morrison (1).	
	900 000 200-2 2 0	
	393 899 380 P 1T 9	
Kilgus, Guzman (3), H	owe (5), Russell (7).	
Monorcic (8) and Stanler	/: Dison, Williamson	
(9) and Kennedy, W-Di	son, 5-8, L-Kileus, 1-	ì
4. HRs-Texos, Sierro (2	1), Baltimore, C. Rie-	

Transis Selected (F), white (2), Second (3) and Schrodery Sends (3), Particular (3), Second (3), Particular (3), Second (3), Particular (3), Second (3), Particular (3), Second (3), Particular (3), Particular (3), Second (3), Particular (3

200 901 210 3-7 10 1 101 900 200 6-4 12 1 age (10), Winn (10). W—

spe (18), Winn (10), W—Clear, 4-5, L—Thispen, 3-1, Sv—Plesac (21), HRS—Milwaukes, Deer 2 (24), Sveum (15).
Colifornia 800 000 996— 9 7 3 Seattle 804 401 20—14 13 3 AcCoskill, Lucas (4) and Boney Langston and S. Bradiey, W—Langston, 12-9, L—McCoskill, 2-4, HRS—Seattle, Pholos 2 (17), PBradley (3).

NATIONAL LEAGUE

RATIONAL LEAGUE
Chickse 888 510—1 4 8
New York 811 621 200—7 13 1
Suricitife, Lynch (7) and Davis; Dorrine and
Corper, W.—Darline, 8-7, L.—Suricitife, 15-6.
His—Chickse, Sandbers (13), New York,
Santons (5), Correr (14), (14). 610 003 801-- 5 14 0 430 500 82s--15 15 0 Philipdelesist 498 508 RSS-15 15 9 Mograce, Tonnell (2), Perry (4), Davidey (8), Oquendo (8) and Peno, Lake (4); Rowley, Tekulva (8), Bedroslon (9) and Perrish, Doul-lon, (9), W-Rowley, 14-5, L-Mograce, 5-3, HRS-51, Louis, Marris (2), Philipdelethia,

Alemtreal 808 821 808—3 7 1
Pittsburgh 840 918 948—9 13 9
Sebra, AcGarilgen (5), McClure (7), St.
Claire (8) and Reed; Wolfe, Gidean (7) and
Lityoffers, W.—Wolfe, 3-1, L.—Sebru, 6-12, Sv.—
Gidgan (3), MRs.—Montreal, Roines (12), Gelleringen (10),
Clickengerii

kerroge (10).
Citationally 100 000 000—1 5 0
Sas, Proposice 900 192 000—3 5 1
Guillackson, Williams (9) and Diazz Lecoes
and Brenty, W—LoCoes, 10-6, L—Quillackson,
10-9, HRs—5on Francisco, Claris (22), Mitch-

100 860 006-1 7 1 200 000 58n-7 11 1 

Altinute 061 365 666—4 7 2 Lift Appeles 16 661 116—5 8 1 Smillt and Starmons: Welch Leary (4), Young (8) and Scioscia, W—Smith, 11-a, L— Welch, 10-7, HRs—Altente, Parry (7). Then (5).-Los Angeles—Shelby (16).

SATURDAY'S RESULTS 000 001 500-7 2 101 100 00x-3 6 om (7). He

Major League Standings AMERICAN LEAGUE

SI. Louis New York Averred Carego Philodelphi

Houston San Fran

44 45 596 — 45 46 591 19 42 45 599 2 57 52 521 8 52 57 477 13 47 61 A6 1694 41 69 373 2494 COLLEGE CASE WESTERN RESERVE-L Pct. 95 60 52 556 —
56 55 505 31/2
56 54 597 3
53 56 A87 5
52 56 A87 5
44 64 A87 14

67 42 .615 —
63 47 573 496
61 48 560 6
56 54 599 1172
54. 55 .495 13
49 61 .445 161/2 GB Friday's Result

us (10), Cerose (3), Word (13),

Chicoso; Colideron (17).

Terms 126 989 998—11 16 9
Bellitmere 818 881 1711—5 11 2
Beditimere 818 881 1711—5 11 2
Beditimere 818 881 1711—5 11 2
Beditimere (8), Williams (7) and Petrulis
Bedicicer, Niedentuer (8), Griffin (9) and
Kennedy, W—Witt, 6-1. L—Beddicker, 7-4.

Shew York 818 989—2 6 2
ACDOWNEI (11), O'Molley (1), Bellimore, Sheets 2 (22),
ACDOWNEI (11), O'Molley (1), Bellimore, Sheets 2 (22),
ANDOWNEI (11), Common (8) and Conter, W—Mosen, 4-1, L—
Allanossets 481 813—8 71 1
Young, Rile (7), Lonne (8) and Tatifeton'
Carifon, Frazier (9) and Loudner, W—Carifon, Frazier (9) and Carifor, Frazier (9) and Loudner, W—Carifon, Frazier (9) and Loudner, W—Carifon, Frazier (9) and Loudner, W—Carifon, Frazier (9) and Carifon, Frazier (9) and Loudner, W—Carifon, Frazier (9) and Carifon, Frazier (9) and Loudner, W—Carifon, Frazier (9) and Carifon, Frazier (9)

#### Transition

=ASESALL
America: Legace
CLEVELAND—Ploced Repeie Rit
sticher, on the 21-day disobled flat. Activia.
Ullo Franco, shortetop, from the 41-day

National League LOS ANGELES—Placed Brod Hav pitcher, on the 15-day disabled list. Reco Shown Hillegos, pitcher, from Albuqueres

pitcher, on the 15-day disconed iss. recover Shawn Hillegos, pitcher, from Albuquerque of the Pacific Coast League. PITTSBURGH—Traded Jim Morrison, third baseman, and a player to be named later. SAN FRANCISCO—Activated Condy Mai-danado, outfielder, from the 21-day disabled BASKETBALL

BASKETBALL
Nestonet Bestetbell Association
PHOENIX—Association on the June 21 trade with Defreit Involving entry William Bestoris. Phoesix will receive the Platons first-round pick in 1996 instead of in FOOTBALL

POOTBALL
Canadian Forthell League
CALGARY—Released Brion Beory, offensive linemon, and Garret Doll, linebacter.
OTTAWA—Released Crois Shaffer, linewinnipEG-Released Bred Taylor, ausrterback, from the reserve list,

Notional Factball League
BUFFALO—Signed Martin Bayles
HOUSTON—Signed Karl Baldisch fensive lockle.

NEW ORLEANS—Welved Tim Heaty, of-lensive Socia, and Vincent Jesser, guard.

N.Y. JETS—Signed Dennis Brisen, runnins

N.Y. JE is—spired using a second Mitch pHILADELPHIA—Troded Leanard Mitch ell, right tockle, to Affante for a fourth-round draft pick in 1985. Signed Mike Signo, wide receiver; Gresp Garrity, wide receiver, and Jerry Feshery, conter. PITTSBURGH—Walvyd Mike Monchil.

punter.
SEATTLE—Released Tam McCarthy,
sunter: James Wittlams ruming back; Fred
Davis, connerback; James Bowers, salety;
Ken Strondley, placehicker; and Henry Har-TAMPA BAY—Signed Jeff Dovis inside

COLORADO-Named Tim Levellee

Football

CFL Standings

W L T PF PA Pls
5 1 0 206 154 10
4 2 1 201 161 9
9 3 0 101 177 4
2 3 6 116 166 4 M L T PF PA PH

(6). U.S., 6-3, 6-2. Christo von Rensburg (15), South Africu-stef, Danie Visser, South Africa, 6-2, 6-3. Ivon Land (1), Carcheslovskia, def. Kaliv Jones, U.S., 6-3, 6-1. Semiffe end def. Agossi, 6-2 5-7, 6-2. McEnros del. von Rensburg. 6-4, 6-2.

Golf

son (4) and S.Bradier, W-Merson, 10-11, L- PGA Championship 73-72-74--219 73-74-73--220 71-72-77--220 71-77-74-222 71-70-41-222 71-70-41-222 71-73-73-222 71-74-71-222 71-74-71-222 73-73-77-223 CORNELL (IOWA)-Added the position of

teofball coach to the duties of Steve Miller, basketball coach and athletic afrector. GEORGIA TECH-Announced It is draplog its symmetries program. KUTZTOWN—Chris Mediln, incresse coo-

MERCY-Named Drew Marine baseball MIAM! (FLA.)—Named Daniel Chu, David Wolff and Gary Tuell assistant basketball

NORTH CAROLINA STATE—Som Espobaseball coach, resigned to become an Hant attrictic director. Named Ray Tanatta athletic director. ST. LOUIS—Named Frank Marmino base-

European Soccer

WEST GERMAN FIRST DIVISION Point Standings: Bayers Munich, Werder

Print Steames; Bayer Maintin verber Bramm. Borusala Mönchensiadbach 4: Nu-remberg, Cologne, Bover Levertasen, Shuft-gorf 3; Hangover, Bochum, Waldhol Mona-heim, Hambors 2; Kaferskulern, Hombors, Eintrochd Frankfurt, Karleruha 1: Bever Uerdingen, Borusala Dortmans, Schalle 8

Point Standings: Manaca, Berdeaux, Tou-louse 6; Paris-SG 5; Lille, Manapellier, Metz,

Auto Racing Tennis HUNGARIAN GRAND PRIX

MEN'S TOURNAMENTS (At Budgest)
1. Helson Piquel, Brozil, Williams. I hour. (Ar Kirkheenel, Asstrie)
Querterfinds
Mileslav Mectr (1), Crecheslaval.ia, def.
Ronald Agenar, Hafti, 4-4, 6-4.
Darren Cohili, Australia, def. Ricki Ceterfinat, Wast Germany, 6-5, 1-6, 7-5.
Emilio Sanchez (2), Sooia, def. Pobis Ar-

151.39 kpn (95.314 mph), 2 Avrien Science Broatl, Letus, 2:00:04.520 3. Algin Prost, France, Actores. rgya. Peru, 6-4, 6-1, Tore Melnecke, West Germony, del. Gull-lermo Perco-Roidon (4), Argentino, 1-4, 6-2, 6-4. 4. Thierry Boulsen, Belgium, Benetton, 1 p behind . . . 4. Riccordo Potresa, Italy, Brobhom, 1 km A. Derek Warwick, Bethali, Armon, 2 lans 7. Jonathan Palmer, Britain, Tyrrell, 2 lans E. Eddle, Cheever, U.S., Armon, 2 lans

- Samifficals Mecir Cel. Conin. 6-1, 6-2 Sonchez del. Melnecke, 42 42. Sanchez dal, Mecir, 6-4, 6-1, 4-6, 6-1

(At Sivelies Maustein, Verment) Quarterfinate
Andre Agossi, U.S., del. Josy Rive, U.S., 4-4 John AtcEnroe (4), U.S. del. Brad Oilbert

WEMBLEY, England — In a National Football League exhibition game played on one of soc-cer's most-hallowed fields, running back Charles White 98-74-71--212 72-70-72--214 stumbled into the end zone from four yards out with 28 seconds to play Sunday night and gave the Los Angeles Rams a 28-27 victory over the Denver Broncos.

77-72-77-02

FRENCH FIRST DIVISION

DRIVER STANDINGS

5. Stefan Johansson, Swaden, McLaren, 19 4. Gerhand Bergar, Austria, Ferrari, 9

Allichie Alborist, Linit, Ferreri, 9
 Allichie Alborist, Linit, Ferreri, 8
 Sotoru Nalaijima, Japan, Latut, 4
 Thierry Boutsen, Beiglum, Benetion, 5
 Andrea de Cesoris, Roly, Bruthom; Eddie Chaswe, U.S. Arthon; Janathan Polimer, Britain, Tycnell, and Phillege Streitt, Franca, Tournell.

14. Derek Werwick, Scilein, Arrows, 1, and

2. Ayrion Senno, Brazil, Laius, 41. 1. Nigel Mangell, Britain, William Join Prost, Franco, McLaren, 30

The National Football League exhibition game, televised live in the United States, featured all the razzmatazz associated with a sport called gridiron football here.

There were hamburger stands and hot dog stands, steel bands and jazz bands; on sale were Tshirts and flags and hats. There were cheerleaders, popoorn, na-

Among the thousands of Americans in the crowd were Rick Olvera and his wife, who have lived in Britain for a year with their two children and could not wait to see their beloved Broncos. "We lived in Denver all our lives before coming here," said Judy Olvera. "This is something so special. The Broncos in

Britain - I can't believe it."

for boredom. The loudest boos of the chilly,

A near-capacity crowd of 72,786 — some 11,000 more than came to Wembley Stadium on Saturday for an international all-star soccer match - made England's national sports arena ring with cheers for a game with an intensity

A year ago, in the first edition of the NFL-promoted "American Bowl," spectators had chanted "boring, boring" toward the end of a 17-6 victory by the Chicago Bears over the Dallas Cowboys. This year, neither team left time

overcast summer evening were re-served for the Colorado State University marching band when it struck up a halftime rendition of "Don't Cry For Me, Argentiga." It may have been a hit in the musical "Évita," but it did not go

country that fought Argentina in the Falkland Islands war. On Saturday, Diego Maradona

down well with the fans in a

of Argentina, soccer's biggest

the ball in the all-star game. But the stars got only cheers

And when the stars sat down. the second- and third-string players stepped up the tempo.

White took a swing pass 12 yards to the Denver nine as the third quarter ended, then ran through a huge hole off right tackle for his first score on the first play of the final period.

As the English fans did the wave" and yelled for the Rams' cheerleading squad, the Broncos stormed back, going 82 yards in 11 plays to reclaim the lead, 20-14, on Gary Kubiak's 13-yard pass to Mark Jackson in the midst of three Ram defenders.

# NFL Faces Big Questions Before Testing for AIDS

By Robert E. Stein New York Times Service

NEW YORK - A number of teams in the National Football the first positive test: League have announced plans for voluntary testing for the AIDS virus. The players generally think it is a good idea. But AIDS researchers, arguing that players are far more likely to die from a head injury than from AIDS contracted on the playing field, say that the testing will set AIDS education back to the dark ages.

Time out. Before the battle lines are drawn in yet another area of AIDS policy, we need to step back and ask important questions.

Testing for acquired immune deficiency syndrome in football is but the latest in a series of similar calls for testing in the United States. But with Congress now holding hearings on a variety of bills dealing with testing and the related issues of con-fidentiality and discrimination, the issue of AIDS testing among professional athletes has taken on added importance. Given that the Washington Redskins attract more attention in the capital - even among members of Coogress - than do most congressional hearings, such testing is bound to get more recogni-

tion than other types. It is true that contact sports cer and boxing as well - result in Canadian Football League. spilled blood. It also is true that" inprotected exchanges of blood health workers' developing the are enacted before the implications AIDS virus (called the human im-

risks is appropriate. duce the danger, however small, to players and training staff from conany testing policy should be to retact with blood that is HIV-positive. That can be accomplished in team policy. large part through better infection control - wearing gloves to clean up bloody clothing, for example, or

shirts if they get bloody. ple in sports should assume, as hospital workers and other medical and enforcement personnel are increasingly doing, that everyone is dangers of AIDS and how it is and HIV-positive. This will help stem is not transmitted? transmission of a number of infections diseases, including hepatitis,

Will voluntary testing really reduce that risk further? A single negative test means only that at least six to eight weeks earlier the individual did not have the AIDS anti- group advising business and govern-

present some thorny questions that a team, like any other organization. should think through well ahead of

 How will confidentiality really be maintained? Certainly, a statement by an official of the Dallas Cowboys that there had been no positive tests was a poor start. A policy would have to begin from the premise that no results would be released. Test results should not be part of the weekly injury report. What action does a team take

when a player tests positive? Antidiscrimination laws in many states prevent a team from firing a player solely for testing HIV-positive, unless it could be demonstrated that his condition makes him unfit for work. If he is fired, would that conflict with his right to confidentiality?

 Could players refuse to practice or play with a teammate whom management knows is HIV-positive? And: Could a team require assurance that all members of the opposing team have tested negative before a game or scrimmage? Some countries require negative

tests for visitors. What if Canada or the United States refused work permits to nationals of the other country unless they tested negative? Hockey and baseball leagues have teams on both sides of the border. not only football, but bockey, soc. and many Americans play in the

If these considerations make the issue sound complicated, there is a have in a few cases resulted in reason: It is. And, too often, policies munodeliciency virus, or HIV), being considered today by pro Since AIDS is a deadly disease, teams, it certainly will be raised concern about minimizing these soon by college and even high school teams, in addition to the many other Therefore, the primary aim of areas being considered by Congress. Well known athletes have died of

Testing is drawing athletes into thinking about AIDS policy issues. Given that, and their status as role providing for more changes of I- models for many people, they have a change to set an example that Where blood can be spilled, peo- goes beyond testing themselves. le in sports should assume, as hos- Why don't pro athletes do public service ads with their teammates or families, advising teen-agers on the

selves tested. That is different from

If testing of pro athletes awakens Congress and the public to the implications of AIDS testing, then the idea can have some merit after all.

(Robert Stein is president of Environmental Mediation International, a

#### **SPORTS BRIEFS**

#### Piquet Wins 2d Straight Grand Prix

BUDAPEST (UPI) - Brazilian Nelson Piquet benefited from teammate Nigel Mansell's missortune to win the Hungarian Grand Prix Sundayand strengthen his lead in the Formula One driver championship

Mansell of Britain, starting from the pole position, led for 70 of the 76 laps in his Williams. But he was forced to withdraw because of a lost-rear wheel nut while holding a 13-second lead, and Piquet moved to the front to score his second consecutive Grand Prix victory. He won the West

German Grand Prix (wo weeks ago, also thanks to late retirements.

Piquet completed the 189.5 mile (305.06-kilometer) race in 1 hour, 59 minutes, 26.793 seconds — an average of 95.314 mph. Ayrton Senna of Brazil, finished second in a Lotus nearly 40 seconds behind, and defending world champion Alain Prost of France was third in a McLaren. Piquet, seeking his third championship, has 48 points after nine of the

#### Bulgarian Woman Sets Hurdles Mark

season's 16 races. Senna is second with 41. Mansell and Prost are tied for

DRAMA, Greece (UPI) — Ginka Zagorcheva of Bulgaria set a world record in the women's 100-meter hurdles by clocking 12.25 seconds at a track and field meet among Greece, Bulgaria and Czechoslovakia here

The previous mark of 12.26 had been set by Bulgarian Yordanka Donkova last September.

#### Rojas Takes WBC Crown From Laciar

MIAMI (UPI) - Sugar Baby Rojas of Colombia took the World

Boxing Council junior bantamweight title from Argentine Santos Laciar here Saturday night with a unanimous 12-round decision.

Rojas, 30-1 lifetime, opened a cut over Laciar's left eye in the first round; both men were cut in the 10th, when Laciar was knocked down wice. Laciar, who dropped to 65-7-11, had won the title from Gilberto

#### Java Gold Overtakes Gulch in Whitney

SARATOGA SPRINGS, New York (AP) - Java Gold, ridden by Pat Day, beat Guich by three-quarters of a length Saturday to become the first 3-year-old since Alydar in 1978 to win the \$288,500 Whitney

Handicap at Saratoga Race Course.

Gulch, who raced as an entry in the wagering with Gorky, appeared to be an easy winner in midstretch, but was caught by Java Gold's late rush. Gulch finished 24 lengths ahead of favored Broad Brush; the order of finish was completed by Gone West, Lac Ouimet, Seldom Seen Sue and

The victory was the fourth in five starts this year for the Rokeby Stable colt, a son of Key to the Mint-Javamine. He carried 113 pounds (51.2 kilograms) over the fast 14-mile (1,810-meter) course in 1:48-4/5, Trainer MacKenzie Miller said Java Gold would run in the Travers Stakes on

#### Appeals Court Gives McLain Reprieve

ATLANTA (AP) - A three-judge federal appeals court has unanimously thrown out the racketeering conviction of Denny McLain, baseball's last 30-game winner.

McLain was sentenced in March 1985 to serve 23 years for racketeering, extortion, conspiracy and possession of cocaine with intent to The 11th Circuit Court of Appeals threw out those convictions late Friday, ruling that Judge Elizabeth Kovachevich had rushed defense

attorneys and unfairly allowed prosecutors to question the integrity of defense counsel. McLain's attorney said he would request that bail be set on Monday. The U.S. attorney's office in Tampa said it will review the ruling before deciding whether to appeal or seek a new trial.

McLain's best year in the majors was 1968, when he was 31-6 with a 1.98 earned-run average for Detroit. He won the Cy Young award as the body. And voluntary testing can ment on AIDS-related policy issues.) American League's top pitcher and the Tigers won the World Series.

By Ronald van de Krol ferred to an oceangoing vessel for ABOARD THE LEONTINE export to South America.

The only constant is the daughters play at his feet as he maneuvers the barge and its 3.000-ton load of Brazilian iron this route in my sleep," said Willy

beds and clears away the laundry before joining her husband and daughters in the small, glass-enclosed captain's bridge for lunch.

Breakfast, lunch or dinner, the young Dutch family can be found on the bridge keeping the Leon- separated from his family. tine steadily on course for West

"On shore, family life revolves around the living room." Willy Kreusch, 30, says, his eyes never leaving the river. "Our life takes place around the ship's controls."

and Claudia, the 2,000-ton Leontine is a year-round office, house and playground. And like the thousands of other Dutch ships that dominate commercial traffic on the Rhine river, the barge has all the touches of home. There are lace curtains and potted plants at the windows. A swing set for the children is perched behind the bridge, and tricycles and other toys litter the oversized, outdoor playpen where the girls amuse themselves as the barge chugs up-stream at a speed of 12 kilometers (7.5 miles) an hour.

At the front of the barge, small bachelors' quarters provide hous-

family and crew. It is also a cru- not grow up isolated. cial link between the economic heartland of western Europe and overseas markets.

are the main means of carrying the chemical plants, power stations and steel mills that line the

Swiss plastic downstream to Rot- illness that other kids have," Wilterdam, where the cargo is trans- ly Kreusch said.

The only constant is the barge,

ore around a wide bend in the Kreusch, a third-generation barge operator who, like his wife, grew In the living quarters below, up aboard a Rhine barge. "I'm Ginny Kreusch, 29, makes the like a commuter who knows every traffic light between home and the office by heart."

But unlike the average office worker - or even the average West German or Swiss barge cap-

While the presence of families aboard West German and Swiss barges has become relatively rare around the kitchen or maybe over the years, Dutch barge families continue to flourish, helped by an extensive range of government and private services.

Some women move on shore To Willy and Ginny Kreusch when their children start school, and the two 3-year-olds, Carola and they then only see their husbands once or twice a month." Mrs. Kreusch said, "But in many cases, the arrangement just doesn't work and they end up coming back on board. When the twins turn 6, they will

leave the barge and move to one of 26 special boarding houses for shippers' children that have been set up in and around the Netherlands' main port cities.

Along with the nearly 3,000 other Dutch "barge children," they will attend school during the week and then rejoin their parents for the weekend somewhere along the Rhine.

The Kreuschs, who left their ing for the Kreuschs' two crew-men. parents' barges for boarding schools as young children, said But the barge is not only a schooling on shore was essential floating home for the Kreusch to ensure that their daughters do

"We try to go to a playground whenever we're moored somewhere so that they can learn to get Dutch barges like the Leontine along with other kids," said Mrs. Kreusch. "But it's not the same as raw materials from Rotterdam to playing outside on your own like other children,"

The relative isolation of "barge thine. children is apparent when they one week, the Kreuschs take start school. "In their first year, U.S. soybeans up the Rhine to a they tend to get all the common West German mixed-feed pro-childhood diseases, one after the West German mixed-feed pro-cesser. The next, they bring slabs other, because they just haven't of West German steel or tons of built up the same resistance to



The Kreuschs on their barge, the Leoutine.

Modern communications have helped break down the isolation that used to be the lot of barge families. Ship-to-shore radio now keeps them in touch with family and friends, while television and video-recorders bring popular culture into their living quarters.

Many barge operators now also

carry a small car on board so they can tour West Germany or Switzerland while the family is awaiting fresh cargo. But there are still daily inconveniences. "It's frustrating not knowing whether you'll be back

in Rotterdam in time for a doctor's appointment for the children that you made three months earli-Mrs. Kreusch said. In the West German city of Duisburg - the Kreuschs' destination on this trip -an enterpris-

clinic to serve barge operators and their families. Moving from barge to barge by boat, the West German doctor, who has taught himself to speak Dutch, inoculates the children, does routine examinations and

ing doctor has started a special

handles non-emergency cases. Back in Rotterdam, a floating meeting-house called the "Zwarte Zwaan (Black Swan) provides kindergarten classes, a library, laundry, restaurant and other facilities for nomadic Dutch barge dent captains like Willy Kreusch operators and their families. For the Kreuschs, the day's

journey began at 6 A.M. in Rot-terdam and will end at about 8 P.M. near the West German border. At dawn, they will continue their trip to Duisburg, uzload the cargo and wait for their shipping agents to find a load of gravel, coal or steel for them to take back to the Netherlands.

On average, the Kreuschs are on the move 14 hours per day, three days a week. The rest of the time is spent waiting for a new cargo or doing maintenance work on the Leontine.

The family specializes in transporting goods on the lower Rhine between Rotterdam and the Ruhr, the busiest stretch of the river. About 200,000 ship-crossings are recorded at the Dutch-German border every year. Of the more than 10,000 freight

ships that ply the inland water-ways of Western Europe, 6,000 are Dutch. Dutch barges carry 95 million tons of freight to Belgium, France, West Germany and Switzerland every year, accounting for half of all cross-border shipping volume within western Europe. Of the Dutch ships, 5,000 are

owned and operated by indepen-

Ronald van de Krol is a journalist based in The Netherlands.

**AUTO SHIPPING** 

RANSCAR 17 ov de Friedland, 75008 Paris. Tel 4225 6441. Nice 9321 3550. Antwerp 233 9985 Connes 9239 4344

LOW COST FLIGHTS

ACCESS VOYAGES

New York

One Way F 900 E F 990 F 1790 F 1790 F 1790 F 1495 F 1490 F 1490 F 1490 F 1290 F 1290

Colya F3970 F7390
and more destinations ...
Discount on 1st & business class
Attes subject to modifications
Astrocommon and appropriate for the Figure Leavest, 75001 Paris
Metro - REX Chrollet Les Helles
[Lc. 175.111]

said Mrs. Kreusch.

The Kreuschs had the Leontine

built at a cost of three million

guilders when they were married in 1981. Two years ago the

Kreuschs bought a 70-meter (230-

foot) push-barge which they've

attached to the front of the 90-

meter-long Leontine to increase their shipping and earning capaci-

Kreusch said he earns a decent

living from the barge but needs to work long hours to keep the Leon-

tine in motion as much as possi-ble: "When you're an indepen-

dent, you can't afford to let the

barge lie idle." In a good year, a

barge of the Leontine's size can

post a turnover of 700,000 guil-

- which they spent on the Mo-selle River in West Germany -

the Kreuschs have never had a

proper vacation. But next month

they intend to take a week-long

break in a rented cottage in south-

ern Holland. "Living in a house

and having friends to play with

will be a real treat for the girls,"

Apart from their honeymoon

ders (about \$330,000).

#### **LANGUAGE**

# Head Over Googols in Zero Options

By Alan W. Powers

THE U.S. budget and the national debt are both L getting higher than most of us can count. Rather than appear to be baffled by what is after a trillion. Congress wants to reduce the numbers. But just in case it does not succeed, we had better all gain a passing familiarity with macronumeration.

Anybody looking for a basic vocabulary for large numbers had better have a sense of humor. Ask friends what lies above a trillion. A zillion? they say. A skillion? But even if you ask a dictionary, what you

find will not be comforting.

Take, for instance, the term that has recently made headlines: trillion. To define it, even the American Heritage Dictionary of the English Language resorts to a non semitur:

trillion: 1. The cardinal number represented by 1 followed by 12 zeros, usually written 1012, Called in

British unage "billion."
So the British call a trillion a billion. They call the U.S. billion a thousand million. Of course, an attempt to define the word more explicitly can result in 2 tangle such as the one found in the Random House

tangle such as the one found in the Random House Dictionary of the English Language: trillion: 1. a cardinal number represented, in the U.S. and France, by one followed by 12 zeros, and, in Great Britain and Germany, by one followed by 18 zeros. This international discrepancy provides an open invitation for political exploitation, and I stand frankly amount that the U.S. administration has not used it to its advantage. What could be simpler than an international conference on computing large num-bers? The American delegates would come home and inform the president that there is good news: The U.S. national debt is line, the budget is fine. Neither has surpassed a trillion, although both have just now reached a billion. We were just counting wrong all along It is in keeping with such brilliant recomputings as the 1983 adjustment in the U.S. national employment figures to include the military.

Until such an opportune conference, the United States and France agree that a thousand millions are enough for a billion; the British and Germans wait for a million millions. For a trillion, the United States likes a thousand billions (U.S), while the British again wait until a billion U.S. billions accumulate. This natural caption serves them well. They are not in danger of running out of names for the dollars in the U.S. budgets. Wasn't it Senator Dirksen who said, "A billion here, a billion there, and pretty soon you're talking real money"? We can paraphrase this: A billion here, a billion there, and pretty soon we're talking a real, British billion.

RETURNING to the question with which we began, what does come after a trillion? The correct answer is a "quadrillion." By now we are able to define it ourselves: a cardinal number represented by 1 with 15 zeros in France and United States, 1 with 24 zeros in Britain and Germany. After quadrillion come quin-tillion, sextillion, septillion, octillion — and nonillion, which has 30 zeros in the United States and France, and no less than 54 zeros in Britain and Germany.

Perhaps it was partly this international discrepancy that led the American mathematician Edward Kasner to coin the term "googal" for 10100, or 1 followed by on vacation.

100 zeros. His was "farciful coinage." according to the Random House Dictionary.

Not only should we standardize the terms for large.

Not only should we standardize the terms for large. numbers, but we should also agree, in the United numbers, but we should also agree, in the United states anyway, on the terminology for the numbers between a nonlilion and a googol. The real names are obscure at best, if not downight impossible (How I does quathernise the control of the con

Why not use the natural answer, the one already on does quattuordecillion strike you?) the lips of many native speakers: a "zillion." Then, maybe we can borrow the French teen numbers for 11 on: onzilion, donzillion, treizillion, quatorzillion, and so on. With this French array, we can perhaps could the grains of sand on the East Coust, the stars in the favorite colors of the stars in the favorite colors. favorite galaxy and the U.S. budget for fiscal 2087,

PROBLEMS of scale pervade modern life, from parts-per-million in pollution measurement to populations of gypsy moths, from the space between sub-atomic particles to the size of the supernova in the constellation Contact.

For most of us, it is difficult to conceive of anything beyond a hundred thousand, or if we really concentrate, a million. A million seems to be our 20th-century standard for bigness: a million miles, a million light years, and of course the old standby, a millionaire. We have not replaced this last one yet, although a million sire now is arguably in need of a very strict budget.
Still, a billionaire does not have the same universal application, partly because in Britain a billionain must have the entire U.S. budget. No one does, there are no British billionaires.

A million is a lot, it is mega, at least according to the way the Massachusetts lottery defines its million-dollar prize — "Megabucks." But for the Greeks, with whom we lift the prefix, mega evidently had no specific numerical meaning. They used it to mean "great or large," as in megalodendros, full of large trees, Sometimes it held the composition of "exaggerated," as in megaligoros, talking big, vaunting or boastful.

In most of contemporary American usage, mega has the same vague suggestiveness, the same indeterming it held for the Athenians.

Within this decade, we have seen a Greco-Roman competition for the language of large scale: "to the max," from the Latin "most large," versus mega. Max has achieved widespread usage in advertising—"maxinads" and even the oxymoronic "maxithins"; however, mega, as in "megablockbuster," is preferred by the

Although mega is as vague for us as for the ancient Greeks, it carries the suggestion of precision, perhaps because it has the ring of authority: a "megaton" bomb, or a "megadose" of some pharmaceutical. This may be the perfect combination of precision and suggestive indeterminacy that we need in our new macronumerals. A simple "megazillion" can mark out new borders of the known. How big is megazillion? Well, it's what a googolaire would claim if he were boasting, or a maximillion would budget if he were elected to Congress.

Alan W. Powers, who teaches English at Brisiol Community College in Fall River, Massachusetts, wrote this column for The New York Times. William Safire is

# Dae Wistorii, Giye Ur Swotung -+ drining, Learn arma control in a very suduave private medical ofinc in W. Germany, 45 mars Zunch Airport. Write or phone CHRISTIANA CLINC. Merceractwooder Sr. 32, 0-7822 St Blasen, W. Germany (0) 7672-48010. AMERICAN HOSPITAL OF PARISI Accredited U.S. Historiel. 24 hour Emergency Service. English spokers. Blue Cross. 62 Bouleroad Victor Higgs. 92302 Neurly Sur Seine. (10 minutes from Broke). Phone. 47 47 53 00. Depressed, despoiring, suiddel 9 Talk to the Rome Samaritare in com-plete confidence on Rome 6789 227. Everyday - 4:30-10-30pm. 5EFT. IN PARS. Foshion study/work-shop, lodgings in private operiment. PAA, 9 rue des Unsaknes, 75005 Fons. Tel, 43 25 35 09. BEFORM, THE RINEST hand-made suit. Largest selection in Switzerland at WEINBERG the leading men's stare. Bahnharist. 13-Zurech, 01-211 29 50.

ANNOUNCEMENTS

LOSE WEIGHT, GIVE UP SMOKIN

ALLIED

English, Pare (daily) 4634 5965, Rame 678 03 20, Netherlands (020) 256057

MOVING

92 21 35 72

7069 250066 LONDON AMERITANS (069) 250066 AMERITANS (01) 953 3636 USA: ALLED VAN LINES (0101) 312-681-6100 MARTINI TECHNOTRANS - NICE / CANNES, Teli 92,39,43,44. Overseas Moung - Storage - Pading - Ar/Sea Shipping, Car/Baggage, Georance

INTERNATIONAL HERALD THIS IN

10

REAL ESTATE FRENCH PROVINCES PENTHOUSE INTERNATIONAL CANNES realizationately and sales Tx 461425 Tel 93383040 ask for Sarge "If you can afford it we've got it..." GREECE

MONACO

Principality of Monaco UNIQUE PERSIAN STYLE VILLA for rent clase to the famous "Jordin Exologue", 423 som. on 3 levels with minoret an terror of and a large terrora. For further details. A.G.E.D.I.

26 bis, 8d Precesse Charlote MC 98000 MONACO Tel: 93.50.66.00 · Telex 479417 MC PARIS & SUBURBS

WURTTE, bargain, sumphusus 160 sq.m. apartment for receptions + maid's room, 3m high ceilings, F5,500,000. Exclusively 42'25 16 80 or 42'25'10'26. APARTMENT PARTS XVIth, SOUTH, reception on terroca, 3 bedrooms, 2 boths, mad's room, parking 452/8833 SWITZERLAND

LAKE GENEVA AREA. A number of top vilca, take view, 4/5 bestrooms, large hung, around SFI million. Teld. 021/22 35 12 - RM - Globe Plan

**EBE**I

Steel and 18K Gold, water resistant 30 m.

The Architects of Time

#### REAL ESTATE TO RENT/SHARE FRENCH PROVINCES LOSE TO GENEVA furnished fic with cleaning service on private gall. Weekly rate. Tel 50753088 France Tx Pub Annecy 385417 Fee 33-40-47-626

GREAT BRITAIN CINDONL FLATS AND HOUSES TO AMERICAN STANDARDS. Consult PR. Limited. Tel. (01) 352 8111 for Krightbridge. Kensington, Chalses, Belgrows, Tel. (01) 586 9852 for Regents Park, Princese Hill, St. Johns Wood, Swin Cottoge. Tel. (01) 727 2233 for Holland Park and Kensington or The 27846 (ESIDE G.

CHEISEA CHARMENG furnished house in quiel cul-de-sac, 3 bedrooms, 2 bethrooms, longe modern kitchen, lovely gorden, 2 wine caliens or storage rooms. Rents £500/wask Tali (01) 352 6427 CHELSEA. WONDERFUL 2-bedroom mews. \$350/week. Tel: 01 589 8223.

PARIS AREA FURNISHED

UNIQUE NEAR BIFFEL TOWER DAY - WEEK - MONTH SUPERB EQUIPPED APARTMENTS

Studio - 40 sq.m. 2 rooms - 60 sq.m. 3 rooms - 105 sq.m. 4 rooms - 140 sq.m. WITH LINGGUE CONDITIONS FLATOTEL INTERNATIONAL Tel: 45 75 62 20

#### REAL ESTATE REAL ESTATE TO RENT/SHARE TO RENT/SHARE PARIS AREA FURNISHED PARIS AREA UNFURNISHED NEW WAY OF STAVING IN DADE

AVENUE MONTAIGNE The Claridge Residence Large 60 sq.m. studio, lusuriously equipped, upper floor. F13,500 month + charges. Tak 42 25 50 35. for 2 weeks or more high class studio, 2 or 3-room oportments, fully equipped, iramediate reservations TEL: 43 59 67 97 We have many other rentals available

RESIDENCE CITY LOCKING FOR AN ARRAPTMENT DOCHANG FOR AN APPARTMENT Y Don't look ony further, we have several appartments available. I noom, studies, 2 nooms, 3 nooms, 4 nooms, villas, etc. Poris & Suburbs, Robert Alestory S.A. 116 Chemps Bysees 75008 Poris, Metro George V. Tel: 45 63 17 27 eat 383. REAL ESTATE AGENCY REST CLASS APARTMENTS FURNISHED AND UNFURNISHED FOR EVECUTIVES TEL: 45 27 12 19

RUSPISSIED & UNIQUENCISED RISST-CLASS APARTMENTS Minimum rental 2 months. Also flots & houses for sale. RITER URBIS, 1, rue Mollien, Paris (8th). Tal: (1) 4563 1777

Embassy Service

YOUR REAL ESTATE

45.62.78.99

DELUXE APARTMENT overlocking Notre Dame. 120 sq.m. Vary expensive, AMEP, 1 Ave Pierre Grenier, 92100 Boulogne. Nº 5172. PARIS PROMO Estate Agent - Property Manager Ave Hodre, 75008 Pare. 45 63 25 6

**EMPLOYMENT** GENERAL POSITIONS AGENT NEEDED to find contracts in a security co. Commission only. M

AGENT IN PARIS ACCIDEN 2/3 bedrooms with garage Maintparrooms. Short or long her Tel: 43 25 35 09. GENERAL POSITIONS WANTED BITHOUSE, AVE. MONTAKIN High class, furnished, 130 sq.m. -Mirroco. 47 27 97 047 42 66 10 05 PRESANCE PR SEEKS regular en playment, Tel-Landon 01-352-4263. DOMESTIC POSITIONS AVAILABLE

EFT BANK ON GARDEN, 3-badro flor with bolomy, 2 baths. F11,0 flor with bolomy, 2 baths. F11,000 View on manastery. Call 43 31 14 28. AU PAIR IMMEDIATE NYC substitution is a 2, Must be cheerful warm. Good English, non-secundaries froms. Private noom/Y etc. NO inconsissang. Good solary Sand latter/fatephone/plate to: ... Deutsch, 301 Menobla Mel. Minosol CHARACTER, 5th oreo, 5 rooms P9,000, 6th oreo, 40 sq.m, P5,000, 19 oreo, studio P3,600, Tek 47 64 14 21, COMPORTABLE TO LUXURIOUS Fully equipped apartments, all areas Day/week/month. 46 33 68 47 a.m. STUDIO, metro Denfert-Rachtreau, 25 30.m. Holl, living with dauble bed, both, litchen, F3,000 net, 42 22 06 25 AUTOMOBILES

WIRHITCH COMES TO BUROPEI USA aterii (CH Columbia 10 eutomati Cas-crayfeine, 3160 or lens, east coast; 5369 wast coast; 5229 onywhere eke, Paris 103 rue Lus Boelie far few yards from Ch. Bytess!, Tel. 42991061. London 231 Tottenfrom Court fild, Tel. 6310875 HOTELS Venice \*\*\* La Fenica et des Artistes S Inn., welk Sen Marco All comfort INTIMATE ATMOSPHIBE Tel: (39-41) 5232333 The 411150 LUCERNE, GRAND HOTEL EUROPE has vocancies, free porking, Tel. (041) 30 11 11, Tb.: 72657 CH. USA TUDIOR HOTEL New York 500 rooms, Fashionable East Side of Manhattan near United Nations, Researchible rates, Tel. 212-965-8800 or 800-221-1253, Tir. 422951. 1982 KENAULT 18 GTL station ving

# **International Secretarial Positions**

co., LHO, parted condition. Aslang 12,200. Tel: John (U.K.) 01-837-8207.

ı	ATTENTION EXECUTIVES
1	Publish your business mesongs in the International Herald Tri-
ı	home, where more than a third
ı	of a million readers world-
ı	business and industry, will
ı	read it, Just telex on (Paris 6135951 before 10 a.m., en-
ı	613595) before 10 a.m., en- suring Bed we can lefer you
I	hack, and your message will appear within 48 hours. You
ı	verificiale billing address.
ı	VERNERO MANAGEMENT

5th, Quai St Michel, luxurious double scian + bedroom + mezzarure, equipped letchen. F10,000. 4256 2996

BUSINESS OPPORTUNITIES OFFSHORE & UK

LTD COMPANIES Incorporation and monogeness in: UK, ble of Max. Ghostor, Turks, Anguilla, Annexa, Liberia, Chornel Mende, & state offer offshore areas.

© Confidental advisor

Nominae serveza.

© Confidential advice

® Nomines survices
® Bear regardents
® Bear regardents
« Accounting & administration
« Mail, Meghane & Inlex
Press explanationy booklet frame:
INTERNATIONAL CORPORATE
SERVICES LTD
principland C., New Confidents
Rd., Douglan, Me of Man
Tel: Douglan, Me of Man
Tel: Douglas (16624) 24000
Telex 628554 SEISCT G
London Regresentative London Representative 2.5 Old Bond St., London WI 91-493 4244, Th: 28247 SCSLDN (

BUSINESS **OPPORTUNITIES** OFFSHORE COMPANIES

 Free professional consultat
 Worldwide incorporations
 Intradiction unalidatity
 Full confidential services
 Landon representative. Aston Company Formation Ltd., 19 Peel Rd. Douglas, tale of Mon. Tel (1624) 26891. The 627491 SPINAG Foe. 0624-25126

PATERNATIONAL OFFSHORE COMPANY INCORPORATIONS FROM US\$150 comprehensive professional services Representative orthons, Flowers of Cortical, Flowers of Cortical, Island, Italian, Flowers of Management, Material Resources, Natural House, Souther, Int of Man. Phone, (9224) 82455
The 626352 Island G Fax: (9624)22

Sale: Grands Millesim 200 bottles, Chalvoy Leffitte
350 bottles Chalvoy Margasir
170 bottles Cagnor Milliame
+ other Grand Gru.
FILANCOIS CHEVALIE!
4, Rue de Chalvour Fort
77/400 Legray, Pressos.
The: 250303 FLIEUC PARIS - SMETS

BUSINESS **OPPORTUNITIES** UK heith Becrer Sharma, Liberial Pano mai LOJAJ etc Trustal in 1 Taxi Bank ingl JPCR, 223 Report Sc., London W.I Tal: (7) 629 7090. The 87391 G. AMERICAN SOFTWARE COMPANY is seeking investorful for \$1 million to expond into European markets. Excel-test growth potential. For immediate response places write to: P.C. NTI., P.O. Bac. \$66, Vierna, Virginia 22180 USA or Yalas: 88707

VRY SUCCESSION BAR / Cyb in prime location in Marake available. Two year paybods of current business levels. Perfect owner-operation set-up. Contact 2811-7. Park Avanue, Possey Cny, Philippens. The 68254 CONEN PN. Tel: 8310259/8333659 **BUSINESS SERVICES** CONSULATES/All University Degrees / Immigration 63 countries. GMC, 26 Kleamenou, Africas 106-76 Greece.

OFFICE SERVICES

MONACO The Computer Burgo All Office Service 24 guer de la Carle, MC 98000 Manaco Tel: 93 25 00 71. The 487348. YOUR INT's OFFICE SERVICE in Gar-nary, IMC Dept HT4 - Hebelet, 4, D-6000 Frankfurt - W. Garmany.

INTERNATIONAL CLASSIFIED **AUTOS TAX FREE** FOR MORE THAN 12 YEARS

TRANSCO Tax free acles - shipping - Insurance. We stock over 300 brand new cars. European - Japonese - American. Very compatitive prices - feet delivery. Send for free multicolor actical open. TRANSCO N. V., 95 NOORDELAAM, 2030 ANTWERP, BELGEUM 11 323/542 6240 Tx 35207 Trems b

TAX-FREE med Cadillas + Merceles
liange Rever + Blaser
Concoros + Trens Am
and other males
some day registration possible
renewable up to 5 years **ICZKOVITS** 

EUROPORT YAX FREE CARS Ask for quotation. Box 12011, Retenden Airport, Hellend Tel: 010-4623077. Tel: 25071 BPCAR N LICENSE PLATES expirel Solution Pun-ation, P.O.B. 2477, CH-6901-Lugano. HEALTH SERVICES COSMETIC-SURGERY for men and women including note refinement, ear correction, breast enlargement or reduction, face life, specially syeld correction, hair transplanting. The Pountary Clinic, 20-26 Stames Broad, Houndow, West Landon, TW2 315. Tel: 01-570 9658.

LEGAL SERVICES Free initial consultation, Suite 503, 1776 K S., N.W., Washington, DC 20006 Tel: 202-775-0108, Th.: 6491 103 LECPAT UW, Fee: 202-293-7860 Clandenstrasse 36, CH-8027 Zurich Tel: 01/202 76 10, Telese 815915.

LEGAL SERVICES US LAWYEL, PORMER JUDGE, serious matters caywhere, William Shelfield, 1215 North Ross St, Santa CA 9270) USA, Tel. (714) 558-7210. **AUTOS TAX FREE** DOMENICAN LAWYER Formity Services. JRM 153 W.27 St. NYC 10001.

> FOR SALE & WANTED LOVELY PURPHISHENGS for sale, Com-URGENT. Moving must sell everything high class, half price, 45639817 Paris.

ARTS KEINE & JOSEPH, Attorneys provising legal services to individuals & small GALERIE COUR SAINT PERSON, Rue 285783, presents Adel BARADA Soudi criet for on exhibition vill be on Thorday 20th August August in the presence of the or

BOOKS The Spy Catcher
Enclose £15 + £10 - £25 minguing &
handling, or charge my Access or Viso card number: Espiry: Dott of cord. Signature: Name & Address:

**EDUCATION** XAN SCHOOL of Adjounding, 05-10 Orchard Towers, 0723, Tel : 7326654.

Page 6 FOR MORE

CLASSIFIEDS

KOREA: Universal Publications Agency Ltd., UPA Beliding, CPO Box 1380, 54 Kyoni-Dong, Chongo-bu, SEOUL Tel. 735.8773. Teles. 28504 UNSPUR.

Place Your Classified Ad Quickly and Easily INTERNATIONAL HERALD TRIBUNE

By Phenez Goll your local IHT representative with your test. You will be informed of the cost immediately, and once proposer within 46 hours.

There are 25 letters, signs and spaces in the first line and 36 in the following lines. Advisorer space is 2 lines. No abl
Credit Genilla American Sepress, Diner's Cub, Eurocard, Master Cord, Access and Visa.

BIROFE

AUSTRIA & GREMANY: Signid Konrod, LH.T., Friedrichstrosse 15, D 6000 Fronkfert, Tel.s (069) 72 of 55, Teleon 416721, BHT D. Telefron 727310. BELGRUM & LIXCEMBOURG: Arthur Mobiles, 6 Rue Louis Hymons, 1060 Brussels. Tel.: 343,18,99, Teles 2072 MRA B. GRESCE & CYPRIJS: I.C. Rennes-son, Findarov 26, Athens 10673. Tel.: 3618397/3602421. Telesc 218344 BS GR.

DENMARK: E.M. Klebien Kontel-vei II, DK-2100 Copenhagen, Dermark, Talu 42 97 25. Demark, Tol. 42 93 25.

PINLAND: Phys Teaminismi, OyPubliscom AB, Fredrikinkostu
338, SF-00120 Helsinid, Fridond.
Tel.; 647412. Telex: 122814 SGCOSF. Fox. 647948.

IRELAND: Donal McAufiffe,
Transvorid Advertising, Ltd.,
44 Luinster Road, Roftminus,
Dubin 6, Fedand, Tel. 966 000.
Telse: 90580.

Telse: 90580.

SBABL Don St-Ech. 92 Limithkin. ISRAEL: Den Ehrlich, 92 Umishkin Snest, P.O., Box 17297, Tel Aviv. Tel.: 45 55 59/45 91 37. The 341118 EXTV II, EXT 6376.

MILAN: Genni Soddu, Via Camolo, 6 Milano 20122 iraly. Tel.; 546,2573. Telex: (43) 33494 [INTADVI] EQME: Antonio Sambrotia, 55 Via della Merceda, 00187 Roma. Tel. 679-3457. Teles: d20500 PPCSRA. NETI-BELANDS: Arrold Tee-ing/Alfons Grim. Prof. Tulp-street 17, 1019 GZ Amsterdem. Tel.: 020-26-36 15. Teleza 13133. Fac: (20) 2679-28. NORWAY: Finn ledeld, P.O. Box 115 Paradis, Bergen, Narway, Tel.: 13 40 10. The 42925 (Pu-bis NJ. Para 475 135 508.

PORTUGAL: Etc Ambor, 32 Rec dos Joselos Verdes, Lisbon. Tel.: 672793 & 662544, The 16791 YORGP SWEDIN: Liso H. Claisson, Changa Medin AR, Sveovágen 76, eg. 5-113 59, Sociálván, Sweden, Tal. 08-3091 19, Inter-sotional: + 4683-091 19, Tale-fase 09-214163. Telen, 12442 POTEX S.

SWITZERLAND: Guy Yon Thuyne and Marshall Walter, P.O. Box 143, 1009 Pully, Tal. (021) 29-58-94. Talex: 25722 GVI CH. SCOTLAND: Pater Boiley, The Media Representation Compa-sy, 13 Mostor Place, Edinburgh, Scotland, Telz. (31) 226 2792. Face (31) 225 3162. TURKEY: Schol Sarol, Validonagi Cad. YKV Binzai Kah 5 D: 3 Nisastori - Istorbul, Turkey. Tel.: 1452887., Telex: 26388 ODVITR.

UNITED KINGDOM: Jocquie Knowles, LHT., 53 Long Acre, Landon, WC2E 9JH. Tel., 01 835 4802. Telen; 262009.

New YORK: IHT, RSD Third Ave., New York, N.Y. 10022. Tel., 212-752 3890. Toll free: (800) 572 72 12 Teles 427 175. LOS ANGELES: Mackin, Media, Inc., 3421 N. Knoll Drive, Los Angeles, Co. 90068, Tel., (21.3) 850 83 39. Thu 650-311-7639. SAN FRANCISCO, CALIF.; Suite 300, 729 Screening Street, San Francisco, Ca. 94111, Tol.: 415, 322 83 39, To: 650-327-1375 MCI UW. MBDWEST: Harold Loddy, Loddy B Associates, 345 Autum, Avenue, Winnetto, Illinois 60093 U.S.A. Tel.: (312) 446 87 64.

SOUTH MIDWEST: Ray Markens, AdCraft, Suite 200, 1200 Past Oak Boulevard, Houston, Texas 77056. Tel.: (713) 6279930. LATIN AMERICA ROBNITINA: Iris Porodi, Av., Al-vecr 1871, Dept. 312, Buenos Aires 1129. Tel.: 804 40 31/39, Est. 54. Tis.: 21930 ALPCH AS.

SMAZIR: Gobriel Post de Cor-volho, Dresa Porticipacoes Lida. Rue Soo Jose 70, 9 ondor, Rio de Joseino. Tel: 222 5045. Th: 2121885 DRES BR. COLLIMBIA: John E. Pearl, Apar-tado 89114, Calle 90, No. 11-21, Bagata, Columbia. Tel.: 236 97 47, 256 60 96. Telesa 42072 (MNA CO). BCJADOR: Lugi Lonterno, P.O. Box 300 Poloutro, Geovernal. Tel.: 522815, Tix: 43361 PGCGYE

MEDICO: Sucora Casquera, Corsmunicaciones Internacionales, Rio Martes No. 19-204. Col Cutathemor, DUF. 06600 Mercito. Tel. 525 3164. Teles: 1774349. (c/a Sheratan Hotel: Indicate telephose marber on labo).

PANAMA: G.A. Benini, c/o Chartered Maragement, Publishers: Network Inc., P.O.B. 6-8646 El Darado, Patasana, Republic of Panama. Tel. 69-0975. Tibe: 2206 CHARTER PA. Rate (SU7) 43 89 04.

PREU: Fernando Samiento, Alvarez, Calderon 155, Fiso 2, San Indiro, Limo-27, Peru. Tel.: (5)140, 417852. Thus 20469 GYDSA. MEDDLE BAST

42244 LE.
DMAN: R. Nograj, Ghodeer Advertising, P.O.: Box 4620, Ruwi
Sultanate of Omea. Tel.:
79 86 96. Taleas 2398 Amma
ON. Fase 798455.

GATAR: Adel Subun, Danie Pub-lic Relations, P.O. Box 3797, Data: Quar. Tel: 416535/ 41177. The: 4984 DANAPR DH.

ATIV. Inc. 898 DANARY DI.
SAUDI ABABA: Foisol Bushnok
Advertising, P.O. Box 5791.
Jeddoh. Tel: 667-1500. Tis.:
40381 COLOES
TUNISIA: Abdelmolek Berreboh,
Societé Robeh, 7 rue de l'Affection Arring Surfaiers. 2009.

UNPUE: Preter Copologic, Media Representatives inc., Coristinan Plana, Passo de Resca, Makati. Tel.: 817,07,49817,05.82, 817,02.12. THE, 66112 MB PN.
SINGAPORE, MALAYSIA, BELINE: LH.T. Singapore, 138
Ceal Street, 07-02 Ceal Court, Singapore 0104. Tel.; 653
223 64 78/9. Tb.: 28749. Feb. 223 65 TANMAN. Ye. Change BECChi. BAHRAN: Borboro Avis, P.O. Box 1030, Manoma, Bohroin, Tel.: 256082. Thr.: 8202 BAH-TAG BN. TATWAN: Ye Chang, BPOCH Publicity Agency, P.O. Sor 1642, Torpes, Torwon, Tel.: 752.44.25. Teless. 11887 EP-CCH. BISTPT: Lailo, Rostom. 10 Geziret el Arab Mohandessine, Coiro, Egypt. Tel.; 34 99 838. Tel.; (91) 92813 ITTAS UN. THAILAND: Year Van Outries Rejapark Building, 17th Floot, 163 Asake Road Bengkok 10110, Thairant Tel. 258 59. Teken: 20666 RAJAPAK TH. JOEDAN: Foed Komol, Media Consultants, P.O. Box 811738, Ammon, Jordon. Tel.: 624430, Telen: 22277 MKR). KUWAT: Jette Conninghom, P.O. Bex 3200, 13032 Safet, Kaweit Tel.: 538 61 52. Teles. 2376! GCARD KT.

AUSTRALIA

45

NELBOURNE: Robert Golf, Field Force Media Representatives Pty. Ltd., 349 Morcy St., S., Mel-bourne VC. 3205, Tel., 690-8233, Thr.: 39182. SYDNEY: J. McGowen, J. McGowen Media Pty, Ledin Pty, Le GUEENSLAND: Peter Moore, Pe-fer Moore Medio, P.O. Bot 399, Podeington 4054, Queen-land, Australia. Tel.: (97) 369 34 53. WESTERN AUSTRALIA: B.A. At-ion, Allen & Associates, 7 Fore-Street, Perrin 6000, Tel.: 328 98 33. Tix.: 94382 AA.

NEW ZEALAND

Social Modern, Proc de LANGE, Son Ariana Supérieure, 2080 Tunis, Tunisia. Tel. 710 797. U.A.E.; Ravindro Rao, Pan Gulf Publicity, P.O. Fax 3294, Dubai. Tel., 224161/224162, Th.: 45884 PANCO BM. NEW ZEALAND: Anthony-Reeves, Poolic Buddings, 127-129 Hobson Sheet, Andderd, N.Z. Tel.: 775-120. Thr. 2553. (Public telez Booth indicate name + cadress on thr.) FAR EAST CHINA: Stephen Hutten, S. Hutten & Associotes, 1701 Borthom Carter, 79-85 Borthom Street, Hong Koog, Tel. 815-25-29. Tel. 1742 SHA HK, Fale: HONG KONG LH.T.: Moloysia Bidg, 7th Floor, 50 Glouester Read, Hong Kong, Tel.; [5] 8610616. Tlx.: 61170 HT HX, Face 520-28-27.

SOUTH AFRICA orgie Ogilvy, Morgie Ogilvy Frometion (Pty.) Ltd., P.O. Bost 130351, Bryanston 2021, Tels 706.14.08, Telesc 4 21007.

Imprimé par Offprint ?? rzc d: PSvangile, 75018 Paris.

